

**August 30, 2019**

The National Stock Exchange of India Ltd.  
Corporate Communications Department  
"Exchange Plaza", 5<sup>th</sup> Floor,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400051

BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

**Scrip Symbol: RELIGARE**

**Scrip Code: 532915**

**Subject: AGM Notice - Intimation of Book Closure & Cut - off Date for E-voting of Religare Enterprises Limited ("the Company")**

Dear Sir,

We would like to inform you that the 35<sup>th</sup> Annual General Meeting ("AGM") of the Company is scheduled to be held on Thursday, September 26, 2019, at 04.00 P.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003.

In regard to the above, a copy of Notice of the AGM and Annual Report for F.Y. 2018-19 are enclosed herewith.

Further, as per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the e-voting facility is being provided to the shareholders of the Company.


Furthermore, with respect to the said AGM of the Company you are requested to take on record the following:

1. The Register of Members and the Share Transfer Books shall remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive).
2. For the purpose of exercising e-voting facility, the Cut-off Date shall be Thursday, September 19, 2019.

Thanking you,

Yours truly,

**For Religare Enterprises Limited**

  
**Reena Jayara**  
**Company Secretary**  
Encl. as above



**RELIGARE ENTERPRISES LIMITED****Regd off: 2<sup>nd</sup> Floor, Rajlok Building, 24, Nehru Place, New Delhi-110019****CIN: L74899DL1984PLC146935****Phone: +91 – 11 – 4627 2400, Fax No: +91 – 11 – 4627 2447****Website: [www.religare.com](http://www.religare.com), E-mail: [investorservices@religare.com](mailto:investorservices@religare.com)****NOTICE**

Notice is hereby given that the **35<sup>th</sup> Annual General Meeting (“AGM”)** of the members of Religare Enterprises Limited (“**the Company**”) will be held on **Thursday, September 26, 2019 at 4.00 P.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003**, to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the report of the Auditors thereon.

**Special Business:**

2. To approve appointment of Dr. Rashmi Saluja as Non-Executive Independent Director for a term of 5 consecutive years to be designated as Non-Executive Independent Chairperson of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

**Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto, Dr. Rashmi Saluja (DIN 01715298), who was appointed as an Additional Non- Executive Independent Director w.e.f. December 20, 2018, pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and was also designated as Non-Executive Independent Chairperson of the Company w.e.f. June 19, 2019 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 consecutive years w.e.f. December 20, 2018.

**RESOLVED FURTHER THAT** Dr. Rashmi Saluja be and is hereby also appointed as Non-Executive Independent Chairperson of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and deeds as may be necessary, proper or expedient to give effect to this resolution including but not limited to filing of appropriate forms/ returns with concerned Registrar of Companies.”



3. To approve appointment of Mr. Siddharth Dinesh Mehta as Non-Executive Non-Independent Vice-Chairperson of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto, Mr. Siddharth Dinesh Mehta (DIN 02665407), who was appointed as an Additional Director (Non- Executive Non-Independent) pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company w.e.f. July 30, 2019 post receipt of RBI approval dated July 30, 2019, and who holds office up to the date of this Annual General Meeting of the Company, and was also designated as Non-Executive Non-Independent Vice-Chairperson of the Company w.e.f. August 08, 2019 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Non Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Siddharth Dinesh Mehta be and is hereby also appointed as Non-Executive Non Independent Vice-Chairperson of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and deeds as may be necessary, proper or expedient to give effect to this resolution including but not limited to filing of appropriate forms/ returns with concerned Registrar of Companies.”

By order of the Board of Directors  
For **Religare Enterprises Limited**

Sd/-  
Reena Jayara  
Company Secretary  
Membership No: A19122

Place: New Delhi  
Date: August 08, 2019

Address: Prius Global, A-3,4,5,  
Sector – 125, Noida – 201 301

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
2. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.



3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the businesses at Item No. 2 & 3 of the notice, is annexed hereto.
4. The relevant details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard- 2, of persons seeking appointment as Director under Item No. 2 & 3 is also annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive).
6. Members/ Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Certificate from the Statutory Auditors of the Company certifying that, the Employees Stock Option Scheme 2010, Employees Stock Option Scheme 2012 and Employees Stock Option Scheme 2019 of the Company are being implemented in accordance with the SEBI (Share Based Benefits Schemes) Regulations, 2014 and in accordance with the resolutions of the general body, will be available for inspection by the Members at the AGM.
9. The Statutory Registers required to be kept open for inspection under the Act read with rules made thereunder at AGM of the Company, will be available for inspection by the members at the AGM.
10. Members holding shares in physical form are requested to intimate change in their address, if any, immediately to the Company’s Registrar and Transfer Agent i.e. M/s Karvy Fintech Private Limited (“Karvy”), Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. Members holding shares in electronic form must intimate the change in their address, if any, to their respective Depository Participant.
11. Members desirous of seeking any information relating to the annexed Annual Audited Financial Statements of the Company for the financial year ended March 31, 2019, may write to the Company at Prius Global, A-3/4/5, Sector – 125, Noida – 201301, UP, India, for the attention of Ms. Reena Jayara, Company Secretary, at least seven days in advance of the meeting so that requisite information can be made available at the Meeting.
12. **The Shareholders who have not registered their e-mail address (es), so far, are requested to register their e-mail address(es), in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update the same with Registrar and Transfer Agent by writing to Karvy Fintech Private Limited, (Unit: Religare Enterprises Limited), Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 or through e-mail at [einward.ris@karvy.com](mailto:einward.ris@karvy.com).**
13. Due to non-payment of dividend by the Company for last two years on 0.01% 2,50,00,000 Non-cumulative Non-convertible Redeemable Preference Shares (“Preference Shares”) of face value of Rs. 10/- (Rupees Ten) each, the shareholders holding aforesaid Preference Shares of the Company will also be entitled to receive the Notice as they are entitled to vote on the resolutions mentioned in the Notice in proportion to the Preference Shares held by them. Hence, the Notice is being sent to them along with other members.



14. In terms of Regulation 36 of the SEBI Listing Regulations, soft copy of full Annual Report is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depository Participant(s), unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

The Notice of the 35<sup>th</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose e-mail addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the Notice of the 35<sup>th</sup> AGM and the Annual Report 2019 is also available on the Company's website, [www.religare.com](http://www.religare.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : [investorservices@religare.com](mailto:investorservices@religare.com) or may write to the Company at Prius Global, A-3/4/5, Sector – 125, Noida – 201301, UP, India, for the attention of Ms. Reena Jayara, Company Secretary of the Company.

15. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Karvy.

Further, SEBI vide its circular dated 20<sup>th</sup> April, 2018, has mandated to submit the PAN and Bank Account details by all shareholders to the Registrar and Transfer Agent of the Company. In this regard, the Company through its Registrar and Transfer Agent has already sent three notices to the shareholders for submission of their PAN and Bank Account details for registration / updation.

SEBI has amended Regulation 40 of SEBI Listing Regulations vide its circular dated June 08, 2018 wherein it was intimated that except for transmission or transposition of securities, transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from December 5, 2018. SEBI further extended the deadline for transfer of securities only in demat mode effective from April 01, 2019. Hence, SEBI mandates to hold shares in demat form with a depository for investors keen to trade them post April 01, 2019. Therefore, the shareholders of the Company are requested to get their physical shares dematerialised for any further transfers.

16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the AGM of the Company.
17. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility of voting through electronic means (remote e-voting) on all the resolutions set forth in this notice. In this regard, the Company has agreement with Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 for facilitating remote e-voting to enable the shareholders to cast their votes electronically. However, E-voting is optional.



18. For the members who do not have access or casted their votes by remote e-voting, facility for voting through polling paper shall be provided at the AGM and members attending the meeting who have not already casted their votes by remote e-voting shall be able to cast their votes at the AGM. However, the members who have casted their votes by remote e-voting prior to the date of the AGM may also attend the meeting but shall not be entitled to cast their vote again.
19. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through polling paper will not be considered.
20. Pursuant to Section 139 of the Act, appointment of the auditor i.e. M/s S.S. Kothari Mehta & Co., Chartered Accountants, (Firm Registration No. 000756N) was made by the members in their AGM held on September 21, 2017 for a period of five years i.e. from the 33<sup>rd</sup> AGM till the 38<sup>th</sup> AGM, subject to the ratification at every AGM. However, in view of the notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor has been abandoned.
21. For the immediate reference, route map for reaching the venue of the AGM is attached.

**The instructions for e-voting are as under:**

- I. **A. In case a Member receives an email from Karvy** [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. **User ID and password** mentioned overleaf). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

|           |  |
|-----------|--|
| User – ID | For Members holding shares in Demat Form:-<br>a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID<br>b) For CDSL : 16 digits beneficiary ID<br>For Members holding shares in Physical Form:-<br>• Event Number followed by Folio Number registered with the Company |
| Password  | In case of shareholders who have not registered their e-mail addresses, their User-Id and Password is provided in the enclosed ballot form.  |
| Captcha   | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.  |

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





- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the EVENT i.e. **Religare Enterprises Limited**.
- (vii) On the voting page enter the number of shares (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 in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option “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 of the folios/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 confirm, 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., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: scrutinizer.maks@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”

**B. In case a Member receives physical copy of the AGM Notice by Post** [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:

- (i) **User ID and initial password** as provided in the enclosed ballot form.
- (ii) Please follow all steps from Sr.No.(i) to (xii) as mentioned in (A) above, to cast your vote.

**II. Other Instructions**

- (i) The remote e-voting period commences on Monday, September 23, 2019 (9.00 a.m. IST) and ends on Wednesday, September 25, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, September 19, 2019 (hereinafter called as “**Cut-off Date**”), may cast their vote electronically. Further, due to non-payment of dividend by the Company for last two years on 0.01% 2,50,00,000 Non-cumulative Non-convertible Redeemable Preference Shares (“Preference Shares”) of face value of Rs. 10/- (Rupees Ten) each, the shareholders holding aforesaid Preference Shares of the Company as on Cut-off Date will also be entitled to vote on the resolutions mentioned in the Notice in proportion to the Preference Shares held by them. Further, the total voting capital of the Company for determining the voting rights of members as on Cut-off Date will be 24,19,42,733 Shares (i.e including 21,69,42,733



Equity Shares and 2,50,00,000 Preference Shares). The e-voting module shall be forthwith blocked by Karvy for voting thereafter. Once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently as well as a person who is not a member as on the cut off date should treat this Notice for information purpose only.

- (ii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. S V Raju of Karvy Fintech Private Limited at 040-67162222 or at 1800 345 4001 (toll free).
- (iii) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the total voting capital of the Company as on the Cut-off Date.
- (iv) The Board of Directors has appointed Mr. Ankush Agarwal, Partner (Membership No. F9719 & COP No. 14486) or failing him Mr. Shailesh Kumar Singh, Partner (Membership No. F8619 & COP No. 16235) of M/s. MAKS & CO., Practicing Company Secretaries (FRN : P2018UP067700), as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the AGM by ballot paper and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in employment of the Company.

Thereafter, the Scrutinizer shall within 48 (forty eight) hours from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, to the Chairperson of the meeting or any person authorized by him in writing. The Results on the resolutions set forth in notice shall be declared after the submission of Consolidated Scrutinizer's Report, either by Chairperson of the Company/ Meeting or by any person authorized by him in writing, who shall countersign the same and the resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

- (v) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.religare.com](http://www.religare.com)) and on Karvy's website (<https://evoting.karvy.com>) after passing of the resolutions and communication of the same will be send to BSE Limited and National Stock Exchange of India Limited, where securities of the Company are listed.

By order of the Board of Directors  
For **Religare Enterprises Limited**

Sd/-  
**Reena Jayara**  
**Company Secretary**

**Membership No: A19122**

**Address: Prius Global, A-3,4,5,  
Sector – 125, Noida – 201 301**

**Place:** New Delhi

**Date:** August 08, 2019





### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")**

#### **ITEM NO. 2**

##### **Appointment of Dr. Rashmi Saluja as Non-Executive Independent Director & Chairperson**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Dr. Rashmi Saluja as an Additional Director in the category of Non-Executive Independent for a term of 5 consecutive years w.e.f. December 20, 2018, subject to the approval of shareholders of the Company. Further, she was designated as Non-Executive Independent Chairperson of the Company on June 19, 2019.

The Company has received a notice, in writing, pursuant to Section 160 of the Act, from a Member proposing the candidature of Dr. Rashmi Saluja, as an Independent Director of the Company.

The Company has also received all requisite disclosures and a declaration from Dr. Rashmi Saluja confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, in opinion of the Board, Dr. Rashmi Saluja fulfills the conditions specified in the Act read with Listing Regulations relating to the appointment as Independent Director and is independent of management.

A copy of the letter for the appointment of Dr. Rashmi Saluja as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee, by the Members at the Registered Office of the Company during normal business hours on any working day (except Saturday, Sunday and public holidays).

Accordingly, approval of shareholders is sought by way of an Ordinary Resolution to appoint Dr. Rashmi Saluja as a Non- Executive Independent Chairperson of the Company.

##### **Brief Profile of Dr. Rashmi Saluja is as follows:**

Dr. Rashmi Saluja is a Doctor cum Entrepreneur. She is an MBBS, MD & MBA (Finance) by qualification.

She has been in the professional field for about 20 years; having worked in Jessa Ram Hospital. She started Chandiwalla Medical Institute in Delhi.

Presently, she is a medical advisor to reach out programme of Sir Ganga Ram Hospital and Kolmet Ganga Ram Hospital, Delhi. She is also an advisor to Ram Krishna Dharmarth Foundation (RKDF) University, Madhya Pradesh. She is also a promoter of Yogeshwar Dutt Wrestling Academy, Haryana and founder Trustee of Citizens Development foundation, which is involved in social and charitable activities especially in slum rehabilitation.

##### **Additional Information for seeking appointment at the AGM:**

1. **Name of Director seeking appointment:** Dr. Rashmi Saluja
2. **Date of Birth/ Age:** December 14, 1973/ 45 Years
3. **Date of Appointment:** December 20, 2018
4. **Qualifications, Experience and expertise in specific functional area:**  
As per Brief Profile mentioned herein above
5. **Remuneration last drawn, if any:** Not Applicable.
6. **Shareholding in the Company:** Nil



7. **No. of Board Meetings attended during the year:** Four (4)
8. **Terms and Conditions of appointment:** Dr. Rashmi Saluja shall be Non-Executive Independent Director of the Company for a term of 5 consecutive years w.e.f. December 20, 2018 and Non-Executive Independent Chairperson of the Company.
9. **Directorship held in other Companies as on date:**
1. Religare Finvest Limited
  2. Religare Housing Development Finance Corporation Limited
  3. R&R Natural Resources Private Limited

10. **Membership/Chairmanship of Committees of other Companies as on date:**

| S. No | Name of Company  | Name of Committee  | Designation<br>(Chairman/Member) |
|-------|--|--|----------------------------------|
| 1     | Religare Finvest Limited                                 | Audit Committee  | Member                           |
|       |  | Nomination & Remuneration Committee                                  | Member                           |
|       |  | Risk Management Committee  | Member                           |
|       |  | Loan /Investment and Borrowing Committee                             | Member                           |
|       |  | Corporate Social Responsibility Committee                            | Member                           |
|       |  | Share Allotment Committee  | Member                           |
|       |  | Review Committee for the identification of non-cooperative borrowers | Member                           |
| 2     | Religare Housing Development Finance Corporation Limited | Audit Committee  | Member                           |
|       |  | Nomination & Remuneration Committee                                  | Member                           |
|       |  | Loan/Investment & Borrowing Committee                                | Member                           |
|       |  | Risk Management Committee  | Member                           |
|       |  | Corporate Social Responsibility Committee                            | Member                           |
|       |  | Review Committee   | Member                           |

11. **Relationship with other Directors**

No inter-se relationship between Dr. Rashmi Saluja and other Directors of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Dr. Rashmi Saluja is concerned or interested, financially or otherwise, in the resolution set out in this Notice.

The Board recommends the resolution as mentioned at item no. 2 above for approval of the Members by way of an ordinary resolution.

**ITEM NO. 3**

**Appointment of Mr. Siddharth Dinesh Mehta as Non-Executive Non-Independent Director & Vice-Chairperson**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors ("Board"), on February 17, 2018 appointed Mr. Siddharth Dinesh Mehta as an Additional Director (Non-Executive Non-Independent) of the Company. The aforesaid appointment was subject to the approval of the Reserve Bank of India ("RBI") and was to get effective upon receipt of RBI approval. RBI approved the aforesaid appointment on July



30, 2019, hence his appointment on the Board became effective from July 30, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act') and the Articles of Association of the Company, Mr. Siddharth Dinesh Mehta will hold office up to the date of ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. Further, he was designated as Non-Executive Non-Independent Vice-Chairperson of the Company on August 08, 2019.

The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member, proposing the candidature of Mr. Siddharth Dinesh Mehta for the office of Director. Mr. Mehta, once appointed will be liable to retire by rotation.

The Company also received all requisite disclosures w.r.t. his appointment in the Company.

Accordingly, approval of shareholders is sought by way of an Ordinary Resolution to appoint Mr. Siddharth Dinesh Mehta as a Non-Executive Non-Independent Vice-Chairperson of the Company, liable to retire by rotation.

**Brief Profile of Mr. Siddharth Dinesh Mehta is as follows:**

Mr. Siddharth Dinesh Mehta is the founder and CIO of Bay Capital Partners Ltd, an India focussed investment firm. He has a career spanning over 19 years, of which he has spent 16 years investing in India.

Mr. Mehta has been a successful investor and has been credited with several notable investments over the years.

He previously also served as the Chairman of Sterling Holidays Ltd where he led the turnaround process and was instrumental in its merger with Thomas Cook Ltd to create one of the largest travel and hospitality groups in the Indian sub-continent.

He holds a bachelor's degree in Business Management and Finance from King's College, University of London.

**Additional Information for seeking appointment at the AGM:**

- 1. Name of Director seeking appointment:** Mr. Siddharth Dinesh Mehta
- 2. Date of Birth/ Age:** June 26, 1978/ 41 Years
- 3. Date of Appointment:** July 30, 2019
- 4. Qualifications, Experience and expertise in specific functional area:**  
As per Brief Profile mentioned herein above
- 5. Remuneration last drawn, if any:** Not Applicable.
- 6. Shareholding in the Company:** Nil
- 7. No. of Board Meetings attended during the year:** N.A
- 8. Terms and Conditions of appointment:** Mr. Siddharth Dinesh Mehta shall be Non-Executive Non-Independent Vice-Chairperson of the Company, liable to retire by rotation.
- 9. Directorship held in other Companies as on date:**
  1. Religare Health Insurance Company Limited
  2. Religare Housing Development Finance Corporation Limited



3. Bay Capital Advisors Private Limited
4. Bay Capital India Fund Limited
5. Park Chinois
6. Bay Capital Partners Limited
7. Pebble Holding Pte. Ltd
8. Bay Capital India Fixed Income Fund Limited
9. Bay Capital Investments Ltd

**10. Membership/Chairmanship of Committees of other Companies as on date:**

| S. No | Name of Company  | Name of Committee                         | Designation<br>(Chairman/Member) |
|-------|--|---|----------------------------------|
| 2     | Religare Housing Development Finance Corporation Limited | Nomination & Remuneration Committee       | Member                           |
|       |  | Loan/Investment & Borrowing Committee     | Member                           |
|       |  | Risk Management Committee                 | Member                           |
|       |  | Corporate Social Responsibility Committee | Member                           |

**11. Relationship with other Directors**

No inter-se relationship between Mr. Siddharth Dinesh Mehta and other Directors of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Mr. Siddharth Dinesh Mehta, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out in this Notice.

The Board recommends the resolution as mentioned at item no. 3 above for approval of the Members by way of an ordinary resolution.

By order of the Board of Directors  
For **Religare Enterprises Limited**

**Place:** New Delhi  
**Date:** August 08, 2019

**Sd/-**  
**Reena Jayara**  
**Company Secretary**  
**Membership No: A19122**  
**Address: Prius Global, A-3,4,5,**  
**Sector – 125, Noida – 201 301**

**ATTENDANCE SLIP/E-VOTING FORM****RELIGARE ENTERPRISES LIMITED****Registered Office: 2<sup>nd</sup> Floor, Rajlok Building, 24, Nehru Place, New Delhi-110019****CIN: L74899DL1984PLC146935****Phone: +91 – 11 – 4627 2400, Fax No: +91 – 11 – 4627 2447****E-mail: investorservices@religare.com/ website: www.religare.com**

Please fill attendance slip and hand it over at the entrance of the meeting hall  
Joint shareholders may obtain additional slip at the venue of the meeting.

Sr. No.

Name

Address

DP ID &amp; Client ID\* / Folio No.

No. of Shares held

I/We hereby record my/our presence at the 35<sup>th</sup> Annual General Meeting of the Company held on Thursday, September 26, 2019 at 4.00 P.M. at **Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003**

Signature of the Shareholder or Proxy\*\* : \_\_\_\_\_

\*Applicable for investors holding shares in electronic form.

\*\*Strike out whichever is not applicable

---

**FOR ATTENTION OF THE SHAREHOLDER**

Shareholders may please note the **User id and Password** given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration), Rules, 2014. Detailed instructions for e-voting are given in the notes to the AGM Notice.

**ELECTRONIC VOTING PARTICULARS**

| <b>EVEN (E-Voting Event Number)</b> | <b>USER ID</b> | <b>PASSWORD/PIN</b> |
|-------------------------------------|----------------|---------------------|
|                                     |                |                     |



|                   |
|-------------------|
| <b>PROXY FORM</b> |
|-------------------|

### RELIGARE ENTERPRISES LIMITED

Registered Office: 2<sup>nd</sup> Floor, Rajlok Building, 24, Nehru Place, New Delhi-110019

CIN: L74899DL1984PLC146935

Phone: +91 – 11 – 4627 2400, Fax No: +91 – 11 – 4627 2447

E-mail: [investorservices@religare.com](mailto:investorservices@religare.com)/ website: [www.religare.com](http://www.religare.com)

### MGT 11 - PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. \_\_\_\_\_ DP ID & Client ID\* : \_\_\_\_\_

I / We, being the member(s) of ..... Shares of Religare Enterprises Limited, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

or failing him

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

or failing him

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) either for or against each resolution for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 26, 2019 at 4.00 P.M. at **Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003** and at any adjournment thereof in respect of such resolutions as are indicated below:





| Resolution No      | Resolution   | Optional** |         |
|--------------------|--|------------|---------|
|                    |  | For        | Against |
| Ordinary Business: |  |            |         |
| 1                  | To Consider & Adopt Audited Financial Statements (including Consolidated Financial Statements) and the Report of Board of Directors and Auditors thereon for the year ended March 31, 2019 |            |         |
| Special Business:  |  |            |         |
| 2                  | Appointment of Dr. Rashmi Saluja as Non-Executive Independent Director for a term of 5 consecutive years and be designated as Non-Executive Independent Chairperson of the Company         |            |         |
| 3                  | Appointment of Mr. Siddharth Dinesh Mehta as Non-Executive Non-Independent Vice Chairperson of the Company   |            |         |

\*Applicable for investors holding shares in electronic form.

Signed this .....day of ..... 2019.

\_\_\_\_\_  
Signature of shareholder

Affix  
Re. 1  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

#### Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Further, the holder of this form may vote either for or against each resolution.

- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



**Route map to the venue of the 35<sup>th</sup> Annual General Meeting of Religare Enterprises Limited**



**Sri Sathya Sai International Centre,**  
Pragati Vihar, Lodhi Road, New Delhi - 110003



RELIGARE ENTERPRISES LIMITED

ANNUAL REPORT 2018-19



# Religare is a Latin word that means ‘to bind together’

We chose this name to reflect the integrated nature of our services. Our name is paired with the symbol of a four-leaf clover. Traditionally, it is considered good fortune to find a four-leaf clover as there is only one four-leaf clover for every 10,000 three-leaf clovers found.



Each leaf of the Religare clover has a special meaning. It is a symbol of Hope, Trust, Care and Good Fortune.



The first leaf of the clover represents **HOPE**

The aspirations to succeed. The dream of becoming. Of new possibilities. It is the beginning of every step and the foundation on which a person reaches for the stars.



The second leaf of the clover represents **TRUST**

The ability to place one's own faith in another. To have a relationship as partners in a team. To accomplish a given goal with the balance that brings satisfaction to all, not in the binding, but in the bond that is built.



The third leaf of the clover represents **CARE**

The secret ingredient that is the cement in every relationship. The truth of feeling that underlines sincerity and the triumph of diligence in every aspect. From it springs true warmth of service and the ability to adapt to evolving environments with consideration to all.




The fourth and final leaf of the clover represents **GOOD FORTUNE**

Signifying that rare ability to meld opportunity and planning with circumstance to generate those often looked for remunerative moments of success.



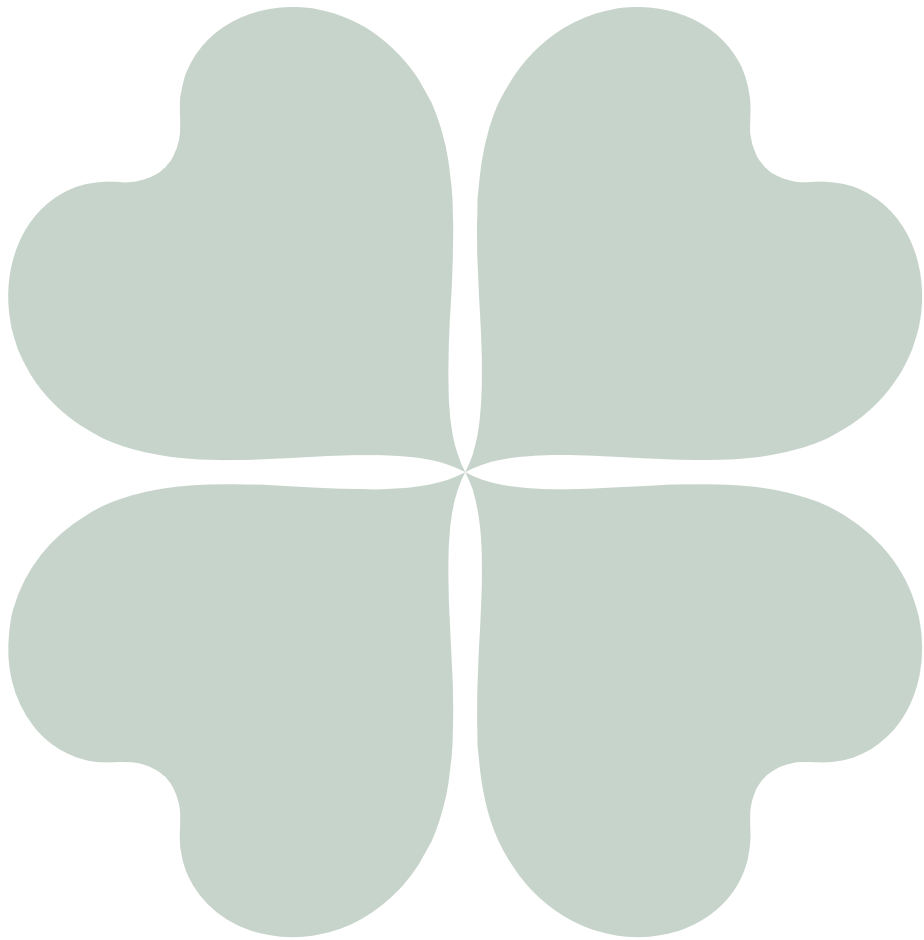
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# **COMPANY** INFORMATION









|   |   |
|---|---|
| <b>BOARD OF DIRECTORS</b>                       | : Dr. Rashmi Saluja (Non-Executive Independent Chairperson)<br>Mr. Siddharth Dinesh Mehta<br>(Non-Executive Non-Independent Vice-Chairperson)<br>Ms. Vijayalakshmi Rajaram Iyer (Independent Director)<br>Ms. Sabina Vaisoha (Independent Director)<br>Mr. Sushil Chandra Tripathi (Independent Director)<br>Mr. Malay Kumar Sinha (Independent Director) |
| <b>CHIEF FINANCIAL OFFICER</b>                  | : Mr. Ashish Tyagi (Interim CFO)  |
| <b>COMPANY SECRETARY</b>                        | : Ms. Reena Jayara  |
| <b>REGISTERED OFFICE</b>                        | : 2 <sup>nd</sup> Floor, Rajlok Building,<br>24, Nehru Place,<br>New Delhi - 110019   |
| <b>CIN NO</b>                                   | : L74899DL1984PLC146935   |
| <b>Phone</b>                                    | : +91-11-4627 2400  |
| <b>Fax No.</b>                                  | : +91-11-4627 2447  |
| <b>E-mail</b>                                   | : investorservices@religare.com   |
| <b>Website</b>                                  | : www.religare.com  |
| <b>BANKERS TO THE COMPANY</b>                   | : HDFC Bank Limited<br>Axis Bank Limited  |
| <b>AUDITORS</b>                                 | : M/s. S.S. Kothari Mehta & Co,<br>Chartered Accountants<br>Plot No. 68, Okhla Industrial Area,<br>Phase-III, New Delhi - 110020  |
| <b>REGISTRAR &amp; SHARE<br/>TRANSFER AGENT</b> | : Karvey Fintech Private Limited<br>Karvy Selenium Tower B,<br>Plot 31-32, Gachibowli, Financial District,<br>Nanakramguda, Hyderabad - 500032  |

The background of the page is a light green color. In the top-left corner, there is a large, solid green quarter-circle. To its right, there are two concentric, curved green lines that are not fully closed. In the bottom-left corner, there is a large, solid green semi-circle. Above it, there are two concentric, curved green lines that are not fully closed. The text "OUR BUSINESSES" is centered in the middle of the page.

# **OUR BUSINESSES**





Religare Enterprises Limited (REL) is a Core Investment Company registered with the Reserve Bank of India. It is a diversified financial services company with the businesses in - Lending, Health Insurance and Broking. REL's operating businesses are housed in subsidiaries and have independent management teams to conduct their day-to-day operations. REL has provided the operating companies with the requisite capital, governance structures, risk management mechanisms and oversight, and helped the operating businesses attain critical scale.

REL has a three-fold role to play in ensuring the success of the businesses:

1. **Allocating Capital** - a key factor in production for any enterprise, and indeed, the raw material for financial services businesses – to the operating companies
2. **Determining Governance Structures and Risk Management & Control mechanisms** - such that there are checks and balances at every level and the businesses are safeguarded
3. **Undertaking Performance Management** - to ensure the capital invested is being deployed in a manner that furthers REL's ultimate objective

Our portfolio companies operate across three verticals within financial services, viz., Lending (SME Finance and Affordable Housing Finance), Health Insurance and Retail Broking.

### LENDING - SME

Religare Finvest Limited (RFL) is our SME lending arm. RFL is registered with RBI as a non-deposit taking, systemically important Non-Banking Financial Company (NBFC-ND-SI). RFL is focused on providing debt capital to Small and Medium Enterprises (SMEs) to enable them to enhance their productive capacity and throughput. It is amongst the first NBFCs in India to focus on this segment, having started the business in 2008. RFL's offerings have been tailor-made to suit the unique requirements of this sector and comprise:

- **SME-Secured Product:** Enables customers to obtain loans against their residential or commercial property
- **SME-Unsecured Product:** Caters to working capital and other financial requirements of SMEs, self-employed businessmen and professionals
- **Short Term Trade Finance:** This product empowers our customers to bridge their short term financial gaps. Our short term trade finance gives freedom to SMEs to avail financing against purchase payables

SME units tend to be concentrated in clusters in or around large cities to take advantage of the infrastructure and ancillary services that are available at such clusters. RFL has systematically built its branch network to cover all these locations. As at March 31, 2019, RFL's network comprised of 30 branches across 13 states and 1 union territory. In addition, RFL conducts business in clusters that are in proximity of those where it has a branch using the hub-and-spoke model and in this manner services markets where it does not have a branch presence. RFL has developed robust and comprehensive infrastructure to ensure that all critical processes (credit assessment, risk management, collections and recoveries) are performed in-house and has built best-in-class infrastructure to support its business operations.

Due to past legal challenges with certain borrowers (entangled arrangement with Promoters), RFL's operations are under RBI's corrective action plan with restriction on fresh loans.

As of March 31, 2019, RFL has made provisions on its entire Corporate Loan Book of ₹ 2037 Crores. From April 2018 to March 2019, the company's focus has been on efficient Recovery and Solvency. Efforts are also being made to raise capital at group and subsidiary level.

### LENDING - AFFORDABLE HOUSING

Housing finance is India's most resilient sector and needs 5.2 Crore units and ₹ 10 Lakh Crores investment by year 2022. Religare's affordable housing finance arm Religare Housing Development Corporation (RHDFC) is thus a strategically placed company equipped to leverage this requirement. It is a registered HFC (Non-deposit taking) with a SARFAESI License. The company focuses on providing loans for acquisition, construction and repair of





dwelling units in the affordable housing segment. RHDFC operates through 30 branches as at March 31, 2019 and has a diversified geographical presence across Delhi NCR, Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Tamil Nadu, Karnataka, Telangana and Andhra Pradesh. The company has remained profitable in each year of its operations since it became a part of the Religare group in year 2009.

RHDFC envisions itself to be a future ready company and hence it aims to maximize digitization in its processes and work towards enabling an efficient workforce. The company is increasingly using analytics and big data to better understand inventory, migration and pricing trends. The ability to assess the credit worthiness of potential borrowers is crucial for succeeding in this segment; robust credit assessment processes position RHDFC extremely well to capitalize on this opportunity. Customer centricity has also been a forefront vision of the company and company is following 'Closer to Customer' strategy to have a better outreach with the customers.

## HEALTH INSURANCE

Indian health insurance market is a growing market and registered a market size of ₹ 50,891 Crores in FY 18-19, up by 18.3% from last year. Out of all health insurance service providers in India, that is Public Sector Institutions, Private Institutions and Stand-alone insurers, Public Sector institutions have the lion's share having 53% of the market share and Private and Stand-alone insurers stand at par with each other with respect to market share. Though in terms of retail policies, Stand Alone Health Insurance Companies (SAHI) have the biggest share of 44%. Our company 'Religare Health Insurance Company Limited' (RHICL) is a SAHI and ranks number 6 overall and number 3 in GDP. RHICL commenced business in 2012 and currently has three major shareholders – Religare Enterprises Limited, Union Bank of India and Corporation Bank. It is servicing over 700 locations across country with a network of 110 plus branches and 9,450 plus hospitals. It has a product bouquet of 18 products encompassing group, travel, fixed benefit and indemnity categories to serve varied customer needs. The Company has a differentiated service offering w.r.t business from corporate like wellness programs & preventive health check-up thereby helping in negotiating higher premiums & improves customer stickiness. It follows a multi-channel distribution strategy through agency, brokers, corporate agents, online and bancassurance and its major focus is on retail and SME customers.

It boasts of an experienced management team with an average vintage of more than six years. Company has also made deep investments in technology for comprehensive risk management & digital enablement of all transactions and stakeholders. The company is highly customer centric with a low grievance rate of two complaints per 10,000 policies and has a claim settlement ratio of 93%. The combined ratio of the company stands at 97%. RHICL has also won various awards like – 'Best Claims Service Provider of the Year', 'Bancassurance Leader of the Year 2018' by Insurance India Summit & Awards 2018, 'India's Most Preferred Travel Insurance' by IMP Travel Brand Awards 2018, etc.

## RETAIL BROKING

Religare Broking Limited (RBL) and its subsidiary Religare Commodities Limited (RCL), operates the Retail Broking business of Religare. This business provides trading capabilities across all product segments – cash equities, equity derivatives and currency derivatives – across all major stock and commodities exchanges in India. Religare Broking is a well-established brand and has more than 1000 points of presence spanning over more than 400 towns across the length and breadth of India, servicing more than 1 million unique customers. RBL also provides depository services and has established e-governance facilitation centers across the country.

RBL focusses on strong risk management and customer service and pursues relationships with limited, high quality and credible franchise partners that have a strong track record from compliance & governance point of view. The company provides multi-platform options such as Branch, Web, App, Call n Trade to enhance customer convenience and ease. RBL has strong in-house research capabilities and also run Investor Education programs. Our broking business follows a 'No compromise on compliance culture' and this has resulted in lower customer grievances. Our commodities business was also recognized as 'Best Broking House – 2019' by Bullion by MCX, acknowledging our business efforts and customer service. The business also enjoys synergetic relationships in form of 'Bancinvest partnerships' with 11 banks such as Andhra Bank, Bank of Maharashtra, Corporation Bank, Dhanlaxmi Bank Limited, IndusInd Bank Limited, etc.



# **BOARD OF DIRECTORS**





### **DR. RASHMI SALUJA**

#### **NON-EXECUTIVE INDEPENDENT CHAIRPERSON**

Dr. Rashmi Saluja is a Doctor cum Entrepreneur. She is an MBBS, MD & MBA (Finance) by qualification.

She has been in the professional field for about 20 years; having worked in Jessa Ram Hospital. She started Chandiwalla Medical Institute in Delhi.

Presently, she is a medical advisor to reach out programme of Sir Ganga Ram Hospital and Kolmet Ganga Ram Hospital, Delhi. She is also an advisor to Ram Krishna Dharmarth Foundation (RKDF) University, Madhya Pradesh. She is also a promoter of Yogeshwar Dutt Wrestling Academy, Haryana and founder Trustee of Citizens Development foundation, which is involved in social and charitable activities especially in slum rehabilitation.

### **MR. SIDDHARTH DINESH MEHTA**

#### **NON-EXECUTIVE NON-INDEPENDENT VICE-CHAIRPERSON**

Mr. Siddharth Mehta is the founder and CIO of Bay Capital Partners Ltd, an India focused investment firm. He has a career spanning over 19 years, of which he has spent 16 years investing in India.

Mr. Mehta has been a successful investor and has been credited with several notable investments over the years.

He previously also served as the Chairman of Sterling Holidays Ltd where he led the turnaround process and was instrumental in its merger with Thomas Cook Ltd to create one of the largest travel and hospitality groups in the Indian sub-continent.

He holds a bachelor's degree in Business Management and Finance from King's College, University of London.

### **MS. VIJAYALAKSHMI RAJARAM IYER**

#### **INDEPENDENT DIRECTOR**

Ms. Vijayalakshmi Rajaram Iyer joined Insurance Regulatory and Development Authority of India (IRDAI) as Member (Finance & Investments) on June 15, 2015 on a two year engagement till May 2017.

Prior to joining IRDAI, Ms. Iyer was the Chairperson and Managing Director of Bank of India which is among the top three Nationalized Banks of the country. She has powered the Bank ahead in various areas of business and control. The Bank has seen quantum growth in business during her tenure and the Bank turned out to be a leader in the PSU banking space.

She started her career in Union Bank of India in December 1975. She has rich and varied exposure to branch banking, having headed very large branches in Mumbai. She was instrumental for setting up the Risk Management Department in 2000, inter alia, putting in place various Risk Policies, developing Risk measures and structuring the reporting framework. In 2006-2007, she was responsible for bringing all the branches of Union Bank on a single Core Banking platform and later on went to head both the IT and Risk Management Verticals of the Bank, as its General Manager. She was also instrumental in the Bank expanding to Hong Kong, China and Dubai.

In September 2010, Ms. Iyer was elevated as Executive Director of Central Bank of India. During her tenure in Central Bank, she oversaw Credit, HR, IT, Treasury, Risk Management, Credit Monitoring and Audit & Inspection. She also spearheaded implementation of Core Banking in that Bank, as well as rolling out Alternate Delivery Channels and other initiatives on the Technology front



### **MS. SABINA VAISOHA**

#### **INDEPENDENT DIRECTOR**

Ms. Sabina Vaisoha holds Bachelor's degree in Arts from Punjab University. She has been associated with India's leading news network, New Delhi Television (NDTV) for over 18 years. During this period she has been a part of some of the most revolutionary and cutting edge programming and national events like the Elections, Fiscal Budget and Awards.

She is currently a consultant with Network 18 on Nationwide campaigns to spread awareness of important social issues to bring about a change in society.

### **MR. SUSHIL CHANDRA TRIPATHI**

#### **INDEPENDENT DIRECTOR**

Mr. Sushil Chandra Tripathi, MSc (Phy-Special Electronics-First class first), LLB, PG Dip in Development (Cantab.), AIMADip in Management, began his professional career as an Asst. Prof of Physics in Allahabad University(1964-68). He joined IAS in 1968 (2nd position in country) and retired from service on 31st Dec 2005.

He served in many positions in State Govt. of Uttar Pradesh and the Govt. of India during his long service career and spent nearly twenty years in Finance and Industry sectors as Chief Executive/Head of Department or Secretary to Govt. In UP, besides being Dist. Magistrate, Almora (1974-76) and Aligarh (1977), he was Officer in Charge Mahakumbh 1976-77, founder CEO of NOIDA township (1978-80), Managing Director Industrial & Investment Corporation of UP(1980-85), Secretary in the dept. of Rural Development, Panchayatiraj & 20Pt. Programme(1985-86), Heavy Industry, Taxation & Institutional Finance(1992-93) and Commissioner Agra Division(1993-94) before getting elevated to Principal Secretary Industry(1994-95), Principal Secretary to Governor during President Rule(1995-96), Adviser Industry & Finance(1996-97) and Principal Secretary Finance(1997-2000). In Govt. of India, he served as Joint Secretary, Banking (1986-87), Secretary BIFR (1987-88), Joint Secretary, Eco. Affairs (1988-89), Minister, Economic & Commercial, Embassy of India, Tokyo (1989-92).

He later became Addl. Secretary, Mines (2000-02) and CMD BALCO (2000-01) as well as CMD, NALCO (2001-02). He worked as Secretary to Govt. of India for nearly four years, two and half years in the departments of School Education & Literacy and Higher & Technical Education and one and half year in Petroleum & Natural Gas. After retirement, he is associated with a number of think tanks in Education, Energy, Economy and Governance. He is also Independent Director on the Boards of several Public companies and Private Sector Companies. He has also been Chairman, Board of Governors of two National Institutes of Technology, Calicut (2005-11) and Surathkal (2011-14). He is a Fellow, Energy Institute, UK, Fellow, Institution of Electronics & Telecommunications Engineers, India, Life Member Indian Institute of Public Administration, Member Computer Society of India, Professional Member All India Management Association, Member Institute for Constitutional & Parliamentary Studies, Member, Indian Council for Arbitration, and a Member of Supreme Court Bar Association.

### **MR. MALAY KUMAR SINHA**

#### **INDEPENDENT DIRECTOR**

Mr. Malay Kumar Sinha has done his B.A. (Hons) and M.A. from Delhi University in Humanities and M. Phil from Madras University in Strategic Studies.

He started his career as an Executive in TISCO, Jamshedpur and in 1981 joined the Indian Police Service. After serving in UP Police and IB, MHA, in different capacities, both in India and abroad, he worked as Joint Secretary in the Ministry of External Affairs and finally as Secretary Security, Cabinet Secretariat, Rashtrapati Bhawan, from where he superannuated in September 2016.

He is an alumnus of FBI National Academy, Quantico, Virginia, USA and National Defence College, New Delhi. As Joint Secretary in the MEA he had led the evacuation of Indians in Bengazi area from the sea during the war in Libya in 2011. He has been a keen sportsperson and was Secretary of All India Police Sports Control Board for several years. He is a recipient of Police Medal for Meritorious Service and President's Police Medal for Distinguished Service.



# **AWARDS & RECOGNITIONS**







**Religare Health Insurance Co. Ltd.** : 'Best Health Insurance Company of the Year' – Emerging Asia Insurance Awards 2019

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**Religare Health Insurance Co. Ltd.** : 'India's Most Preferred Health Insurance Brand' – India's Most Preferred Smart City Brands 2018-19

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**Religare Health Insurance Co. Ltd.** : 'India's Best Travel Insurance Product' – India Travel Awards 2018

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**Religare Health Insurance Co. Ltd.** : 'Health Insurance Category Award' – FICCI Healthcare Excellence Awards 2018

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**Religare Health Insurance Co. Ltd.** : 'Bancassurance Leader of the Year' – Insurance India Summit & Awards 2018

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**Religare Health Insurance Co. Ltd.** : 'Best Claims Service Provider of the Year' – Insurance India Summit & Awards 2018

**Religare Health Insurance Co. Ltd.** : 'India's Most Preferred Travel Insurance Product' for the Product – Explore by India's Most Preferred Travel & Tourism Brands 2018



**Religare Health Insurance Co. Ltd.** : 'Skoch Award' in the Micro Insurance Bronze Category 2018 for 'Grameen Swaasthya Suraksha'

**Religare Commodities Ltd.** : 'Best Broking House – Bullion' – MCX Awards 2019



**Religare Broking Ltd.** : 'Regional Retail Member of the Year – North' - NSE Market Achievers Awards 2018



# **FINANCIAL** DECLARATION





To,  
**The Members,**  
**Religare Enterprises Limited**

Your Directors have pleasure in presenting this 35<sup>th</sup> Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended March 31, 2019.

### **STATE OF AFFAIRS OF THE COMPANY**

Your Company has been facing extremely challenging times recently due to allegations in relation to financial irregularities in various past transactions and siphoning of funds primarily through Religare Finvest Limited ("RFL"), a material subsidiary company, committed by the past management and promoters of the Company which have attracted investigations into the Company by the Securities and Exchange Board of India ("SEBI") and Serious Fraud Investigation Office ("SFIO"). The situation further deteriorated due to continuous negative media attention on the issues at the promoters' level leading to serious repercussions on the Religare group.

Post resignation of the Promoters i.e. Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh as Board members in February 2018 due to immense pressure brought on them by the institutional shareholders; professional Board members have been inducted on the Board to provide leadership and guidance to the Religare Group in these challenging times. A new and experienced Management Team has also been inducted into the Company and RFL and they are in further process of inducting fresh management talent across the Group to plug in the talent gaps across various functions.

Due to intervention of some institutional investors, the Company was able to attract investors into the Company and consequently came out with a Preferential Issue of convertible warrants and raised much needed funds to the tune of ₹ 297 crores approx. in the financial year 2018-19 which was primarily utilized to meet external debt repayments and protect the value of the underlying investments to ensure that the Religare Group emerges financially strong and stable over a period of time. The allocation of capital has been a fine balance between paying off external liabilities and to provide funding to subsidiary businesses to help them remain solvent which played a critical role and helped the Group restore confidence amongst various stakeholders i.e. Investors, Employees, Business Partners and Banks etc.

During the year under review and thereafter, various initiatives have been taken towards revival of the Company and the Group ranging from filing application for re-classification of Promoters and Promoters Group into Public Shareholders category, forensic audit of the Corporate Loan Book ("CLB") transactions at RFL, filing of recovery proceedings at various forums for the recovery of money advanced under the CLB of RFL, submission of criminal complaints with appropriate forums against the Promoters and past management for investigation of various suspicious transactions involving fund movement from the Company and so on; details of which are explained further in this report.

The new management has explored various fund raising options in the Company and its subsidiaries, few of which materialized leading to introduction of new strategic investors in the insurance vertical at a critical time when the Company had to infuse further capital in the same to maintain the solvency ratio.

In order to revive the lending vertical which has been suffering due to the past financial transactions, the new management has proposed a Debt Resolution Plan at RFL and introduction of new strategic investor in RFL; the details of which are elsewhere explained in the Report.

All these measures have helped the Religare Group in not only avoiding a financial collapse but also are steps towards strengthening the overall position of the Group. The Company wishes to seek the continued support of the entire investors group, specially the current warrant holders whose timely intervention is of immense importance for the Company's future alongwith the support of the other stakeholders to meet the challenges effectively. The new Board and management are hopeful to come out of these difficult times and to bring back the Company to its past glory with your enduring patience and support.

### **FINANCIAL RESULTS AND BUSINESS OPERATIONS**

The highlights of standalone and consolidated financial results of the Company for the Financial Years 2018-19 and 2017-18 are as under:



(₹ in Lakh)

| Particulars  | For the financial year ended 2018-2019 |                        | For the financial year ended 2017-2018 |                        |
|--|--|------------------------|--|------------------------|
|  | Standalone (Audited)                   | Consolidated (Audited) | Standalone (Audited)                   | Consolidated (Audited) |
| Total Income   | 3,516.57                               | 240,171.81             | 7,189.44                               | 273,541.77             |
| Total Expenditure  | 18,127.79                              | 390,516.06             | 40,529.30                              | 414,261.67             |
| <b>Profit before Tax</b>   | <b>(14,611.22)</b>                     | <b>(150,344.25)</b>    | <b>(33,339.86)</b>                     | <b>(140,719.90)</b>    |
| Exceptional Items  | -                                      | (8.96)                 | -                                      | (22.98)                |
| <b>Profit / (Loss) before Tax after exceptional items</b>                          | <b>(14,611.22)</b>                     | <b>(150,353.22)</b>    | <b>(33,339.86)</b>                     | <b>(140,742.88)</b>    |
| Income tax Expense/ (Credit)   | -                                      | (258.16)               | (714.70)                               | (22691.81)             |
| <b>Profit / (loss) After Tax</b>   | <b>(14,611.22)</b>                     | <b>(150,095.06)</b>    | <b>(32,625.16)</b>                     | <b>(118,051.07)</b>    |
| <b>Other Comprehensive Income</b>  | <b>16.19</b>                           | <b>395.34</b>          | <b>(10.87)</b>                         | <b>(409.82)</b>        |
| <b>Total Comprehensive Income for the period</b>                                   | <b>(14,595.03)</b>                     | <b>(149,699.72)</b>    | <b>(32,636.03)</b>                     | <b>(118,460.89)</b>    |
| Less: Share of Non- Controlling Interest   | -                                      | (21,347.86)            | -                                      | (13,596.11)            |
| <b>Total Comprehensive Income/ (Loss) (after tax and non-controlling interest)</b> | <b>(14,595.03)</b>                     | <b>(128,351.86)</b>    | <b>(32,636.03)</b>                     | <b>(104,864.78)</b>    |

**Note:** The Company has adopted Ind-AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 from April 01, 2018 with effective transition date of April 01, 2017. Accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principals as laid down in Ind-AS. Accordingly, the previous year's figures have been regrouped and rearranged wherever necessary to align with the current years' presentation.

In last Directors' Report for year ended March 31, 2018, financial performance is reported in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

#### (i) Consolidated Results

We recorded a 'Loss After Exceptional Items and Before Tax' of ₹ 150,353.22 Lakhs, for Financial Year 2018-19 as compared to 'Loss After Exceptional Items and Before Tax' of ₹ 140,742.88 Lakhs, for Financial Year 2017-18. 'Loss After Tax and Share in Joint Venture' was ₹ 150,095.06 Lakhs for Financial Year 2018-19 as compared to 'Loss After Tax and Share in Joint Venture' of ₹ 118,051.07 Lakhs for Financial Year 2017-18. Total Comprehensive Income/(Loss) attributable to the Owner of the Company for the Financial Year 2018-19 is ₹ (1,28,351.86) Lakhs as compared to ₹ (104,864.78) Lakhs in Financial Year 2017-18. Basic earnings per share decreased to ₹ (63.32) in Financial Year 2018-19 from ₹ (58.56) in Financial Year 2017-18.

One of the major causes for which the Company has incurred losses on a consolidated basis is a provision of ₹ 1,092.58 crore in Financial Year 2018-19 and ₹ 1,025.17 crore in Financial Year 2017-18 made against corporate loans given by Religare Finvest Limited, a subsidiary of the Company to the entities known to the Promoter group.

#### (ii) Standalone Results

We recorded a 'Loss After Exceptional Items and Before Tax' of ₹ 14,611.22 Lakhs, for Financial Year 2018-19 as compared to 'Loss After Exceptional Items and Before Tax' of ₹ 33,339.86 Lakhs, for Financial Year 2017-18. 'Loss After Tax was ₹ 14,611.22 Lakhs for Financial Year 2018-19 as compared to 'Loss After Tax of ₹ 32,625.16 Lakhs for Financial Year 2017-18. Total Comprehensive Income / (Loss) for the Financial Year 2018-19 is ₹ (14,595.03) Lakhs as compared to ₹ (32,636.03) Lakhs in Financial Year 2017-18. Basic earnings per share increased to ₹ (6.93) in Financial Year 2018-19 from ₹ (18.28) in Financial Year 2017-18.





### (iii) Operating Performance of Businesses

In the Lending business, our subsidiary Religare Finvest Limited (“RFL”), which is focused primarily on lending to the SME segment, had total book size of ₹ 7,085 crores out of which SME book constituted 64% and amounted to ₹ 4,503 crores as at March 31, 2019 in accordance with Ind-AS. RFL has been under the Corrective Action Plan (“CAP”) of RBI vide its letter dated January 18, 2018 and has been prohibited from expansion of credit/ investment portfolio other than investment in government securities and not to pay dividend. Hence, RFL focused its efforts on collections and recovery. As of March 31, 2019, RFL has made provisions on its entire Corporate Loan Book of ₹ 2,037 crores. RFL retains its presence across 28 branches across SME clusters in India alongwith its experienced SME focused management team. RFL is also actively pursuing legal and regulatory matters towards resolving all issues and restoring normalcy in its business operations at the earliest. Efforts are also being made to raise capital at Group and subsidiary level.

RFL’s subsidiary, Religare Housing Development Finance Corporation Limited (“RHDFC”), which focuses on providing loans to the affordable housing segment, disbursed loans totaling ₹ 107 crores, and the total book size stands at ₹ 706 crores as at March 31, 2019 in accordance with Ind-AS. The PAT after OCI for the financial year is ₹ 9.7 crores. The current book consists of 72% of Affordable house loans followed with 23% of Loan against Property; the remaining 5% consists of builder loans. RHDFC has a pan India presence with a network of 30 branches. RHDFC has remained profitable in each year of its operations since it became a part of the Religare group.

Our Health Insurance business, Religare Health Insurance Company Limited (“RHICL”) registered Gross Written Premium of ₹ 1,843 crores during the Financial Year 2018-19, a growth of 65% over the previous financial year and reported PBT of ₹ 57 crores. As at March 31, 2019, RHICL has established a Pan-India distribution network of 110+ branches. It services over 700+ locations across the Country and has a hospital network of 9450+ hospitals. It offers 18 products to cater to varied customer needs. The company follows a multi-product and multi-channel distribution strategy. Its products span across retail health, group health, travel insurance, etc. and it has a good channel mix consisting of agency, brokers, corporate agents, online and bancassurance.

The Retail Broking business, which comprises of Religare Broking Limited (“RBL”), Religare Commodities Limited (“RCL”) and its subsidiaries, reported consolidated revenue of ₹ 278 crores. RBL services more than one million unique customers and has presence in 400+ towns and cities across India. RBL provides multi-platform options such as Branch, Web, App, Call n Trade to enhance customer convenience and ease. RBL also has Bancinvest partnerships with various banks like Andhra Bank, Bank of Maharashtra, Corporation Bank, Dhanlaxmi Bank Limited, IndusInd Bank Limited, etc. Adding another feature to its hat, for FY 2019, RCL won ‘Best Broking House – 2019’ by Bullion by MCX.

The commodities arbitrage business was stopped in the middle of FY17-18. Religare Comtrade Ltd. (“RCTL”) has exited all its market positions, and repaid all its external debt on time and in full. RCTL is held 100% under REL (directly and indirectly). Since, RCTL is now not an operating business, it is proposed to be merged into the Company /REL, to simplify the REL corporate structure and eliminate outstanding inter group transactions. The respective Boards of REL and RCTL have approved the Scheme of Amalgamation in their meetings dated May 23, 2019. The Scheme of Amalgamation will be filed with Hon’ble NCLT in due course.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management’s Discussion and Analysis Report for the year under review detailing economic scenario and outlook, as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI LODR Regulations”) is presented in a separate section and forms an integral part of this Report.

## DIVIDEND AND RESERVES

Since there were losses during the period and no dividend was declared, no amounts were transferred to reserves.

The Company had formulated and approved a Dividend Distribution Policy (“the Policy”) pursuant to the requirement under the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 in its meeting held on October 26, 2016. Details of the same have been uploaded on the website of the Company and can be accessed through the link i.e. [https://www.religare.com/pdf/Rel\\_Dividend\\_PolicyNov2016.pdf](https://www.religare.com/pdf/Rel_Dividend_PolicyNov2016.pdf)

However, the members may please note that the RBI vide its letter dated April 5, 2019 has advised the Company to stop paying dividends till further orders from RBI.



## SUBSIDIARIES & JOINT VENTURES

As at March 31, 2019, your Company has 25 direct and indirect subsidiaries. During the year under review, the changes in the businesses of the Company and its subsidiaries have been explained elsewhere in this report and Management's Discussion and Analysis Report. In terms of Section 129(3) of the Companies Act, 2013 ("Act"), your Company has prepared a statement containing the salient features of the Financial Statements of our subsidiaries & joint ventures in the prescribed format AOC-1 which is attached to the Consolidated Financial Statements of the Company. The said statement contains a report on the performance and financial position of each of the subsidiaries and hence is not repeated here for the sake of brevity. Further, the details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management's Discussion and Analysis Report.

During the year under review, the following companies ceased to be subsidiaries of the Company:

1. Argil Advisors LLP
2. Religare Capital Markets International (UK) Limited

As at March 31, 2019, your Company has 1 joint venture i.e. IBOF Investment Management Private Limited in which the Company holds 50% share capital.

### ***Religare Finvest Limited ("RFL")***

#### **1. Capital Adequacy Ratio and Corporate Loan Book**

The Capital to Risk Weighted Assets ratio ("CRAR") of RFL as on March 31, 2019 is below the prescribed limit. RFL had an exposure of ₹ 203,670 Lakhs as per financials as at March 31, 2019 towards the Corporate Loan Book. RBI has raised concerns in the past about the credit worthiness of the borrowers, credit appraisal and loan sanctioning mechanism followed by RFL in respect of this book. In view of RBI concerns, the first step the new Board/management has taken immediately after taking charge was that it has reviewed the portfolio and the financial reports of the borrowers to determine the recoverability of the said loans. As a part of the recovery process, the management issued legal notices to the borrowers and has initiated corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016, against the said entities comprising the Corporate Loan Book.

A law firm of repute was appointed to undertake a detailed diligence on this loan book and the said diligence has been completed. Insolvency proceedings have been initiated before the NCLT Delhi and Kolkata against the Borrowers forming a part of the Corporate Loan Book. The Insolvency Petitions filed before the NCLT, New Delhi were listed on March 27, 2019 for addressing arguments for the admission of petitions. Arguments were heard at length on the said date and the Hon'ble NCLT was pleased to reserve its order with directions to the counsels for all the parties to file their written submissions. However, the order reserved by NCLT, New Delhi has been stayed by Supreme Court vide order April 05, 2019. Based on the due diligence report and the replies filed by the borrowers before the NCLT, RFL had also filed a criminal complaint before the Economic Offence Wing, Delhi, on which an F.I.R. has been registered and is under investigation. RFL has also filed an insolvency petition against Bharat Road Network Limited before the Hon'ble NCLT, Kolkata.

The management of RFL has reviewed the portfolio and the financial reports of the borrowers to determine the recoverability of the said loans. Based on the maturity dates of the loans, recovery steps instituted and the financial reports of the borrowers, RFL had, on a prudent basis, made full provision of ₹ 203,670 Lakhs as at March 31, 2019 against this portfolio.

#### **2. Settlement Agreement with Strategic Credit Capital Private Limited ("SCCPL")**

In continuation of the disclosures made in previous years Annual Reports in this regard, during the year ended March 31, 2016, there were certain assignment of loans by RFL to SCCPL and during the year ended March 31, 2017, the amounts recoverable from SCCPL and Perpetual Credit Services Private Limited ('Perpetual') aggregating to ₹ 79,367.20 lakhs were written off by RFL and various legal proceedings were initiated by the parties against each other. During the year ended March 31, 2018, RFL entered into a settlement agreement with the counterparties pursuant to which the various cases against each other at various courts and tribunals were withdrawn on consent terms, however RFL retained its right to recover the amounts due from SCCPL and Perpetual. Despite the settlement agreement SCCPL has filed following suits against RFL at various forums.

- (i) SCCPL and its associate companies have filed a suit before the Hon'ble District Court, Saket seeking various reliefs including specific performance of part of the Settlement Agreement entered into between RFL and the Petitioners in July 2017, and discharge of their obligations under the Settlement Agreement. In the said matter, RFL has also filed following applications seeking following reliefs:



- a. Rejection of plaint.
- b. Extension of time for filing written statement.
- c. For examination of documents and seeking responses to questions.

The Plaintiffs (SCCPL and associate companies) have filed replies to the applications filed by the Defendant (RFL). The Court has given liberty to RFL to file rejoinder, if any, before the next date of hearing. Next date of hearing is August 31, 2019 for addressing arguments on RFL's applications.

- (ii) Strategic Credit Capital Private Ltd. ("SCCPL") & Participation Finance & Holdings (India) Pvt. Ltd. ("PFH") have filed a commercial civil suit before Hon'ble Delhi High Court against Lakshmi Vilas Bank ("LVB"), wherein they have arrayed RFL and other entities as party. SCCPL and PFH are seeking various reliefs in the petition against LVB and amongst other relief, a direction against RFL's fixed deposits placed with LVB. RFL has filed its written statement in the matter. No orders have been passed in this matter with regard to the fixed deposits. An interim order dated February 22, 2018 passed to maintain status quo regarding the trademark as described in the Schedule of the Deed of Assignment. RFL has filed application for rejection of plaint under order-VII Rule-11 and application u/s 340 CrPC against SCCPL for filing fabricated indemnification cum release agreement. Loancore Servicing Solutions Pvt. Ltd. has filed an application seeking substitution in place of Plaintiffs.

Also SCCPL, has filed application seeking injunction against RFL and REL restraining them from selling their business to TCG to which RFL has filed its reply. The matter is currently sub-judice.

### 3. Insolvency proceeding filed by RFL against SCCPL at NCLT, New Delhi

Nishu Finlease Private Limited ("NFPL") entered into a loan agreement with the SCCPL on 21.07.2015 ("**Loan Agreement**") whereby the SCCPL had availed a loan facility of ₹ 40 crores from NFPL. The repayment of the borrowed amounts was secured by creation of pledge over securities including 1,32,33,328 equity shares of one ABG Shipyard Ltd. The loan given to SCCPL was repayable within twelve months from the date of disbursement of the loan and carried an interest rate of 12% per annum. On 16.06.2016, RFL entered into a sale agreement with NFPL ("**Sale Agreement**") whereby RFL purchased the outstanding loan, along with the underlying securities and receivables, given by NFPL to SCCPL under the Loan Agreement for a purchase consideration of ₹ 45 crores. Consequently, RFL acquired all the rights and interests of NFPL qua the loan availed by SCCPL under the Loan Agreement and the underlying security interests created thereunder.

Although in terms of the Loan Agreement, SCCPL was to make payment of the interest on a monthly basis, no such payment was made to RFL. As such, RFL invoked its right under Clause 24.1 of the Loan Agreement and terminated the Loan Agreement by issuing a Termination cum Recall Notice dated 24.06.2016.

The parties then entered into discussions to settle the payment of the outstanding dues. Pursuant to the discussions, RFL and the SCCPL entered into a Settlement Agreement dated 01.07.2017 for payment of the outstanding debt due and payable to the RFL. SCCPL acknowledged its liability to pay the outstanding loan amount of ₹ 40 crores in the Settlement Agreement. However, no payment was made by SCCPL towards the dues owed by it to the RFL. Accordingly, RFL has filed insolvency petition against SCCPL.

### 4. Fixed Deposits with Lakshmi Vilas Bank

In continuation of disclosures made in previous year Annual Report in this regard, RFL had made certain Fixed Deposits ("FDs") with Lakshmi Vilas Bank ("LVB") in November 2016 and January 2017. LVB vide its letter dated February 07, 2018 had confirmed fixed deposits of ₹ 79,144.77 Lakhs to the Company. RFL received a letter dated February 9, 2018 from LVB purporting to allude to certain loans disbursed by LVB to third parties allegedly in consideration of security of the RFL's FDs with LVB. By means of this letter, LVB also purported to call upon RFL to execute the security documentation in connection with the alleged loans. Vide RFL's letter dated February 16, 2018, LVB was expressly informed that not only RFL was not party to any loans that were allegedly sanctioned or granted by LVB to any third party, as also that no authorization, sanction or approval had ever been provided by RFL to LVB permitting the creation of any security or encumbrance of the FDs for any third party loans or borrowings. LVB was also forewarned that any attempt to subject the FDs to illegal encumbrance would not only be violative of RFL's rights, but also constitute deliberate contempt by LVB of the Order dated January 5, 2018 passed by the Hon'ble Delhi High Court, a copy of which was served on LVB vide Legal notice dated February 16, 2018. While things stood thus, RFL came to be in receipt of a copy of the letter dated April 24, 2018 addressed by LVB to the statutory auditors of RFL that LVB had "closed the said deposits on February 20, 2018 to liquidate the loans availed by third parties. This was contrary to the confirmation received by the Statutory Auditors in November 2017 via email confirming the fixed deposits. RFL at no point in time, instructed, authorized or consented to the



liquidation of the fixed deposits or the adjustment thereof against loans availed of by any third parties or the creation of any encumbrance on the fixed deposits, whether by way of a lien, security, charge or pledge in connection with the loans availed of by any third parties.

RFL had filed a suit for recovery of amounts misappropriated by the LVB placed as Fixed Deposits with it on May 31, 2018 before the Hon'ble Delhi High Court. The Hon'ble High Court was pleased to pass interim Orders directing that status quo be maintained in respect of RFL's current account maintained with LVB. It is pertinent to mention here that LVB has sought to delay the adjudication of the interim reliefs and the suit for recovery sought by RFL by filing multiple applications, all of which have been kept in abeyance by the Hon'ble Court till such time RFL's applications for interim reliefs are disposed of. The pleadings in the matter are now complete, in as much as LVB has filed a reply to RFL's suit and RFL has filed its rejoinder to the same. LVB has further filed a sur rejoinder to the rejoinder filed by RFL. SCCPL and Participation Finance & Holdings (India) Pvt. Ltd. have filed applications to be impleaded in the matter, which are yet to be adjudicated on by the Hon'ble Court. The case has been fixed for arguments on interim applications filed by RFL for various dates since July 19, 2018 till March 11, 2019. On March 11, 2019 arguments were addressed at length by the counsel of Plaintiff. The Hon'ble Court was pleased to reserve order on the interim application on April 12, 2019.

Thereafter, LVB filed another application placing ex-parte SEBI order dated March 14, 2019 on record. RFL filed affidavit pursuant to the order dated April 9, 2019 passed by the Hon'ble High Court of Delhi along with the reply qua the ex-parte interim order of the SEBI dated March 14, 2019 and letters addressed to RBI & NHB.

RFL has now filed an amendment application seeking amendment of plaint before the Hon'ble High Court of Delhi on which notice has been issued for August 23, 2019.

Apart from the civil suit for recovery RFL has also filed a criminal complaint against LVB and other accused persons on May 15, 2019 before the Economic Offences Wing, Delhi which is under investigation.

## **MAJOR EVENTS**

### **Re-classification of Promoters and Promoters Group**

Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, Promoters of the Company have resigned as Directors of the Company on February 14, 2018 post which the Board of Directors ("Board") was re-constituted and strengthened by inducting professionals having sound credentials, expertise and competence in their respective fields. Post receipt of requisite request and confirmations from the Promoters and Promoters Group for reclassifying them into public shareholders, the Board of the Company approved the request and sought approval of shareholders on the matter by way of postal ballot. The shareholders of the Company approved the matter through postal ballot on October 17, 2018 with requisite majority, results of which were declared on October 18, 2018. Based on the aforesaid approvals, the Company submitted the application for re-classification of Promoters and Promoters group into Public Shareholders category with the stock exchanges in January 2019. In the matter, the Company has also submitted the application with the SEBI in April 2019 seeking relaxation of one of the conditions under the erstwhile Regulation 31A(6)(i) of SEBI LODR Regulations. The reply from the exchanges and SEBI is awaited on the matter.

### **Issue of Warrants**

During the year under review, on April 19, 2018, your Company allotted 111,497,914 convertible warrants to 38 resident Indian subscribers and received ₹ 145.78 crores as upfront payment which is equivalent to 25% of the total consideration under the terms of issue of convertible warrants approved by the shareholders on March 19, 2018 on a preferential basis to various persons / entities entitling the subscribers to an equal number of equity shares. The warrants issue price is ₹ 52.30 per warrant.

Few warrant holders exercised the conversion option by remitting balance consideration and accordingly were allotted equivalent number of equity shares. Balance consideration received upon such conversion was ₹ 150.97 crores.

The Company had fully utilized the funds received from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 sent to shareholders of the Company. There were no unutilized funds under the same as on March 31, 2019.

In connection to the Company's application with the Department of Economic Affairs ("DoEA"), Ministry of Finance for approval of foreign investment in respect of 63,601,510 warrants intended to be subscribed to by two foreign investors which was not acceded to by the DoEA citing reasons of various investigations by multiple Government agencies / regulators; the Company has requested DIPP, Government of India once again vide letter dated August 28, 2018 to consider the above application favorably.



## Composite Scheme of Arrangement

In May 2019, the Board approved, subject to requisite approvals, the draft Scheme of Amalgamation ("Scheme") that is designed to simplify further the Company's corporate structure.

In terms of the Scheme, two (2) wholly owned subsidiaries direct / indirect of Religare Enterprises Limited ("REL") namely, Religare Comtrade Limited and Religare Insurance Limited will merge with/into REL subject to terms and conditions as provided in the Scheme.

The Scheme is in continuation of the steps the Company has taken in the past to simplify the structure and has the following rationale:

- No active business has been carried on by the Transferor Companies. Further, as on date, all liabilities owed by the Transferor Companies are payable to the group entities which are ultimately consolidated into the Transferee Company. Considering the present economic environment, consolidation of the said entities is envisaged through this Scheme
- The Scheme will also result in simplification of holding structure, thereby resulting in reduction in multiplicity of legal and regulatory compliances, reduction of costs and pooling of common resources.
- The Scheme will also facilitate the Transferee Company to meet obligations of the Transferor Companies.

The Scheme will be filed with the Hon'ble NCLT in due course.

## Divestment of Lending Business

On July 10, 2019, the Company has entered into a binding term sheet with TCG Advisory Services Private Limited ("TCG"), Religare Finvest Limited ("RFL") and Religare Housing Development Finance Corporation Limited ("RHDFCL"), whereby the Company will divest its entire stake in RFL, a subsidiary of the Company, to TCG or any of its affiliates ("Acquirer"). Pursuant to the aforesaid divestment, the Acquirer would also acquire indirect interest of the Company in RHDFCL, which is a subsidiary of RFL. The transaction is subject to necessary statutory and regulatory approvals and fulfillment of other conditions precedent.

As explained elsewhere in the report also, RFL whose principal business is SME lending is under the Corrective Action Plan ("CAP") of the Reserve Bank of India ("RBI") since January 2018 and hence restricted from fresh lending till further directions from the RBI. RFL is in need of primary capital to come out of the CAP. In order to address the situation, RFL has proposed to go for a Debt restructuring and an Inter-Creditors Agreement has been signed on July 03, 2019 in this regard.

The above divestment of RFL to Acquirer will enable RFL to meet the requirements of debt restructuring and also raise such primary capital to come out of the CAP and start its lending operations.

## Cancellation of Indemnity given to the Promoters

As a part of various corrective steps by the new Board and management, the Board in September 2018 after taking necessary legal advice, cancelled the Indemnification-cum-Release Agreement ("Agreement") dated November 14, 2017 entered among the Promoters, Company and its five subsidiaries.

Vide said Agreement the Company had agreed to indemnify and release the Promoters and their Affiliates as per the terms and conditions set out in the Agreement which was null and void as per legal view obtained by the new Board and management.

## REGULATORY UPDATES

### Reserve Bank of India ("RBI")

RBI conducted an inspection of the Company under section 45N of the Reserve Bank of India Act, 1934 in the month of July 2018 for the records of the Company for the FY 2017-18. The Company has suitably submitted the reply/compliance on the Supervisory Concerns / Advisory Letter issued by RBI in April 2019 pursuant to said inspection.

Further, in the Supervisory Concerns / Advisory Letter, RBI has advised the Company to:

- a) Infuse fresh capital to meet regulatory minimum Adjusted Net Worth (ANW) to Risk Weighted Assets (RWA) ratio of 30% by June 30, 2019;
- b) Refrain from accessing public funds till ANW to RWA ratio of 30% is achieved;
- c) Strengthen the Board of REL by inducting whole-time directors with relevant experience, professional competence and fulfilling fit and proper criteria; and





- d) Stop paying dividends till further orders from RBI.

The Company has suitably submitted its response to the RBI stating that the Company meets the regulatory minimum ratio of 30% and is engaged with the RBI for other matters.

Further, during the month of July 2019, RBI conducted the inspection under section 45N for the financial position of the Company as on March 31, 2019. The Company is yet to receive a report on the same.

#### **Securities and Exchange Board of India (“SEBI”)**

- (a) In connection with the ongoing investigation of the Company/REL initiated by SEBI in February 2018, an interim ex-parte order was passed by the SEBI on March 14, 2019 (“Order”) read with the corrigendum dated April 18, 2019, as a remedial action, pending detailed investigation of the matter.

Vide said Order, SEBI has directed as below:

- REL and Religare Finvest Limited (“RFL”), subsidiary company to initiate steps to recall loans amounting to ₹ 2315.09 crores extended, directly or indirectly, from RFL to various entities / persons as mentioned in the Order, along with interest within 3 months.
- Pending completion of investigation and till further orders, the said borrower entities / persons, shall not dispose or alienate any of their assets or divert funds except for meeting expenses of day to day business operations, without prior permission of SEBI.
- Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh shall not associate themselves with the affairs of the Company and RFL in any manner till further directions from SEBI.

The Company and its subsidiary RFL have been cooperating in the aforesaid investigation and have been providing the requisite information / documents from time to time and making necessary submissions with SEBI.

- (b) SEBI has passed an ad-interim ex-parte order on October 17, 2018 (“Order”) in relation to Fortis Healthcare Limited (“FHL”) which inter-alia includes directions to RFL and other entities covered in the order to repay ₹ 40,300 Lakhs to FHL and not to dispose of or alienate any of the assets or divert any funds except for payment of ₹ 40,300 Lakhs and for meeting business operations without the prior permission of SEBI. RFL has represented to SEBI and denied all the preliminary findings recorded against RFL and further requested SEBI to vacate the directions in the said order till conclusion of the investigation.

Furtherance to above, SEBI issued a confirmatory order dated March 19, 2019. The said order inter-alia continued the debilitating restraints against RFL which were originally contained in the ex-parte Order dated October 17, 2018. However, RFL has been allowed to function in compliance with the terms of the CAP as stipulated by the Reserve Bank of India. RFL has further represented to SEBI and denied findings recorded against RFL and requested SEBI to vacate the directions in the said order qua RFL. Additionally, RFL has filed an appeal to Securities Appellate Tribunal (“SAT”) on April 23, 2019 against the said order seeking relief from SAT in the matter. The appeal is in the process of being listed in due course.

On June 19, 2019, RFL Team met SEBI and made a representation and also a written submission was given on June 20, 2019. Thereafter, a personal hearing took place between RFL and SEBI on June 26, 2019. In furtherance to which, SEBI issued order dated June 28, 2019, which modified the said directions, as contained in Para 17 of the confirmatory order as follows:

*“The Noticee no. 8 (viz. Religare Finvest Limited), pending completion of the investigation, shall not dispose of or alienate any of its assets or divert any funds, without the prior permission of SEBI, except for meeting expenses of day-to-day business operations and taking all measures as it deems fit for revival of RFL (including restructuring of its debts/loans, assignment of its financial assets to ARCs, raising of capital, borrowing etc.), subject to strict adherence to the terms of “Corrective Action Plan” and any other norms stipulated by the Reserve Bank of India and provisions of all other applicable laws.”*

- (c) SEBI vide Settlement Order dated January 17, 2019, has disposed off the adjudication proceedings initiated vide Show Cause Notice dated July 05, 2018 for delay in filing of disclosure in terms of Regulation 7(2) (b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to dealing in securities by Mr. Sunil Godhwani, former Chairman and Managing Director of the Company. The Company has paid ₹ 2,00,000/- (Rupees Two Lakh Only) towards summary settlement amount which was approved by the SEBI in the matter vide its Order of January 17, 2019.



## Serious Fraud Investigation Office (“SFIO”)

In the matter of ongoing investigation of the Company initiated by SFIO in February 2018, as ordered by Ministry of Corporate Affairs, Government of India, the Company has been cooperating in the aforesaid investigation and has been providing the requisite information / documents from time to time.

## LEGAL UPDATES

### a. Redemption of 15,00,000 preference shares

In the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016), the interim application having I.A. No. 16727/2018 filed by REL disputing its liability as a garnishee came up for hearing on December 7, 2018. REL has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of ₹ 4,190.28 lakhs) and disputed the liability stating the transaction to be a sham one. The Hon'ble High Court of Delhi directed REL to file an affidavit disclosing the names of persons who were on its Board of Directors and were managing its affairs when the alleged sham transaction was executed. It also remarked that it expected REL to file a complaint with the concerned Police Station. Accordingly, in compliance thereof, REL has filed an affidavit disclosing names of persons who were on Board of Directors at relevant times and has also filed a criminal complaint on March 22, 2019 with the Economic Offences Wing, Delhi Police against Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Mr. Sunil Godhwani, RHC Holding Private Limited, Oscar Investments Limited, RHC Finance Private Limited and their other associates for various offences under the Indian Penal Code, 1860 including the offences of cheating, criminal breach of trust, criminal misappropriation, forgery, forgery for the purposes of cheating and criminal conspiracy w.r.t transactions relating to issuance and redemption of preference shares.

### b. Put option by Non-Resident Shareholders of Religare Finvest Limited (“RFL”)

During the year ended March 31, 2018, non-resident shareholders of RFL, a subsidiary of the Company, subsequent to exercise of put option for a consideration as per the Option Agreement had filed petitions under Section 9 of the Arbitration and Conciliation Act before the Hon'ble Delhi High Court praying for interim reliefs including by way of a bank guarantee for the said amounts in order to secure their interests. The next hearing in the case has been scheduled for August 21, 2019. The parties are currently in advance stage of negotiation to resolve this matter. The Company is not anticipating any material financial impact of these negotiations on the financial statement.

On January 5, 2018 the High Court passed an order stating that the status of FDR of ₹ 750 crores approx. of the respondent company lying with Laxmi Vilas Bank Limited be maintained as unencumbered and not be encashed. The subject deposit was liquidated by LVB against certain loans disbursed by LVB to third parties, and the said dispute is under litigation before Hon'ble Delhi High Court.

### c. Petition by Axis Bank Limited in matter of Religare Capital Markets International (Mauritius) Limited

Axis Bank has filed an original application (“OA”) before the DRT-II, Delhi for recovery of approx. ₹ 31,300 lakhs under a facility agreement between Axis Bank and Religare Capital Markets International (Mauritius) Limited (“RCMIML”), which is inter-alia secured by security provided by Promoters and Religare Capital Markets Limited. REL has neither provided any security/guarantee in relation to the facility nor has any obligation to repay the dues of RCMIML. REL has been made a party to the proceedings based on a Non-Disposal Undertaking (“NDU”). The DRT has passed an order dated March 21, 2018 directing inter-alia that REL shall not alienate or create any encumbrance in respect of certain assets and its shareholding in any company or business concerns to the extent of claimed amount and enter into any settlement with any creditors without the prior approval of DRT. REL has filed 2 applications on May 8, 2018 for deletion of REL as a party and vacation of the stay order dated March 21, 2018 against REL. Axis Bank has filed the reply. On December 18, 2018 DRT dismissed both the applications. REL has filed an appeal before the DRAT against the order dated December 18, 2018 which is listed on August 13, 2019. REL has now filed written statement in the OA. Now the matter is listed for Evidence by way of Affidavit. Axis Bank also filed an application for restraint of transfer of RFL to TCG Advisory Services Pvt Limited. Reply to the said application has been filed.





**d. Petition against the Company for winding up**

M/s. Roto Power Private Limited ("RPPL") filed a winding up petition no. 150/2016 against Religare Support Services Limited ("RSSL"), formerly known as (REL Infrafacilities Limited) on December 17, 2015 alleging recovery of ₹ 72,05,937 (Rupees Seventy Two Lakhs Five Thousand Nine Hundred Thirty Seven Only) which RPPL claims to be due for payment for services provided by it under agreements/arrangement between the RPPL and RSSL. RSSL invoked arbitration against RPPL under a service provider agreement entered into between RPPL and RSSL for an aggregate claim amount of ₹ 109 Lakhs. RSSL got merged into the Company w.e.f December 29, 2017 pursuant to Merger Scheme pursuant to which the winding up petition referred to above was being continued against the Company. The matter been settled by the parties by virtue of the settlement agreement dated Feb 11, 2019 and necessary accounting impact has been considered in the financial statements of the Company.

**e. Arbitration proceedings in relation to the Health Insurance business**

On April 9, 2017, your Company had entered into definitive agreements with a consortium of investors led by True North, an India based private equity fund (formerly known as India Value Fund Advisors) to divest its entire stake in its subsidiary, Religare Health Insurance Company Limited. On January 11, 2018, your Company entered into a supplemental agreement and deed of novation for increase in the consideration and extension of long-stop date, among other changes in certain terms and conditions of sale. Certain conditions precedent including regulatory and third party approvals were not received till the extended long-stop date triggering automatic termination of the agreement. In March 2018, certain parties of the buyer consortium filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996, in the Delhi High Court seeking ad interim injunctive relief including towards extension of the Long-Stop Date, and also invoked arbitration under the definitive agreement. The Hon'ble Delhi High Court, in May 2018, dismissed the petition seeking interim relief and directed the petitioners to proceed with arbitration. The arbitration tribunal has been constituted by LCIA. However, arbitration proceedings have not commenced since the parties have not placed a fee deposit with the LCIA yet.

**f. Petition for removal of Statutory Auditors of the Company**

M/s. Loancore Servicing Solutions Pvt Limited has filed a petition before the Hon'ble NCLT, Delhi seeking removal of auditors. It is currently being contested on grounds of maintainability as the plaintiff is not a concerned person as defined in the Companies Act, 2013 ("Act") for the purposes of filing a petition under Section 140 of the Act for removal of auditors. The matter is currently sub-judice. The Board and management strongly believe that this is a frivolous petition by Loancore and the Company will strongly defend the case.

**g. Petition for rectification of Register of Members of the Company**

M/s. Loancore Servicing Solutions Pvt Limited has filed a petition with the Hon'ble NCLT, Delhi under Sections 58 and 59 of the Companies Act, 2013 seeking rectification of Register of Members of the Company. The Company is contesting the same on maintainability of the petition. The matter is currently sub-judice. The Board and management strongly believe that this is a frivolous petition by Loancore and the Company will strongly defend the case.

**EQUITY SHARE CAPITAL**

The current Authorized Share Capital of the Company is ₹ 816,45,00,000/- (Rupees Eight Hundred Sixteen Crores Forty Five Lakhs only) divided into 65,44,50,000 (Sixty Five Crores Forty Four Lakhs and Fifty Thousand) Equity Shares of ₹ 10/- (Rupees Ten only) each and 16,20,00,000 (Sixteen Crores Twenty Lakhs) Redeemable Preference Shares of ₹ 10/- (Rupees Ten only) each.

During the year under review, the issued, subscribed and paid up equity share capital of the Company was increased from ₹ 178,45,52,480/- (Rupees One Hundred Seventy Eight Crores Forty Five Lakhs Fifty Two Thousand Four Hundred and Eighty only) consisting of 17,84,55,248 (Seventeen Crores Eighty Four Lakhs Fifty Five Thousand Two Hundred and Forty Eight) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 216,94,27,330 (Rupees Two Hundred Sixteen Crores Ninety Four Lakhs Twenty Seven Thousand Three Hundred and Thirty only) consisting of 21,69,42,733 (Twenty One Crores Sixty Nine Lakhs Forty Two Thousand Seven Hundred and Thirty Three only) equity shares of ₹ 10/- (Rupees Ten only) each.

The issued, subscribed and paid up equity share capital as on March 31, 2019 is ₹ 216,94,27,330/-.

During the financial year under reporting, the Company raised funds as stated in the para "Issue of Warrants" under "Major Events" section above under preferential issue of convertible warrants. The Company had fully utilized the funds received from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 sent to shareholders of the Company. There were no unutilized funds under the same as on March 31, 2019.



## PREFERENCE SHARE CAPITAL

The Company has two types of Preference shares issued to the Promoter group companies outstanding as on date comprising 15 lakhs 13.66% Cumulative Non-Convertible Redeemable Preference Shares of ₹10/- each issued in 2008 (2008 Preference Shares) and 2.5 crores 0.01% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each issued in 2016 (2016 Preference Shares).

The Company didn't redeem the 2008 Preference Shares on due date of October 31, 2018 basis the interim application filed before the Hon'ble High Court of Delhi praying among other reliefs for the stay of redemption pending the outcome of investigations into the affairs of the Company and its subsidiaries already initiated by SEBI and SFIO.

Further, due to non-payment of dividend by the Company continuously for two years on 2016 Preference Shares, the holder of these shares has become entitled for voting rights of approx. 10% on the total voting capital of the Company.

However, the Company has filed the petition before the Hon'ble National Company Law Tribunal, New Delhi Bench on June 14, 2019 seeking rectification of Register of Members of the Company by cancellation of 2016 Preference Shares and any other appropriate reliefs, including interim relief with respect to freezing of voting rights and dividend rights attached to the said 2016 Preference Shares.

The said application / petition were filed by the Company basis certain facts discovered by the new management relating to irregularity / illegality in issuance of said Preference Shares.

## NON-CONVERTIBLE DEBENTURES

There are no outstanding non-convertible debentures as on date.

## PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

## ANNUAL RETURN

As per the requirements of Section 92(3) of the Companies Act, 2013 read with Rules framed thereunder, the Annual Return extract in prescribed Form No MGT 9 is being uploaded on website of the Company and can be accessed through the link <https://www.religare.com/Annual>Returns.aspx>

## CAPITAL ADEQUACY

Your Company is registered with the Reserve Bank of India ("RBI")<sup>1</sup> as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") vide Certificate No. N-14.03222 dated June 03, 2014. The Company primarily functions as an investment holding company with more than 90% of its total assets consisting of investments in shares of subsidiary companies/ joint venture companies.

As a CIC-ND-SI, the Company is required to –

- maintain minimum Adjusted Net Worth of 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at the end of the financial year; and
- restrict the outside liabilities up to 2.5 times of its Adjusted Net Worth as on the date of the last audited balance sheet as at the end of the financial year.

The Company is in compliance with the abovementioned requirements as at March 31, 2019.

*However, as mentioned elsewhere in this report, the Company received the supervisory concerns / advisory letter dated April 05, 2019 from the RBI w.r.t. the inspection of the Company for the financial position as on March 31, 2018 carried in the month of July 2018 under Section 45N of the RBI Act, 1934. In the supervisory concerns, as per the RBI's assessments / calculations, the regulatory minimum Adjusted Net Worth to Risk Weighted Assets Ratio of the Company is below 30% and RBI has advised the Company to take corrective measures in form of required capital infusion by June 30, 2019. The Company has submitted its reply stating compliance of minimum Adjusted Net Worth to Risk Weighted Assets Ratio of 30% with the RBI.*

<sup>1</sup> **RBI Disclaimer:** (a) Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for discharge of liability by the company; (b) Neither is there any provision in law to keep, nor does the company keep any part of the deposits with the Reserve Bank and by issuing the Certificate of Registration to the company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the public funds to any person/ body corporate.



## RELIGARE EMPLOYEES STOCK OPTION SCHEMES

Nomination and Remuneration Committee ("Committee") of the Board of Directors of the Company, inter-alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) ('the SEBI ESOP Regulations').

During the year under review a new Employees' Stock Option Scheme called the "Religare Enterprises Limited Employees Stock Option Plan 2019" was introduced for which approval of shareholders of the Company was received on March 29, 2019. Under the said plan 1,62,25,000 stock options have been granted by the Committee till the date of this Report.

Details as required under the SEBI ESOP Regulations, for Religare Employees Stock Option Scheme 2010, Religare Employees Stock Option Scheme 2012 and Religare Employees Stock Option Scheme 2019 have been uploaded on the website of the Company and can be accessed through the link <https://www.religare.com/Employee-Stock-Option-Schemes.aspx>

There is no other material change in the ESOP schemes of the Company during the year.

Certificate from the Auditors confirming that schemes have been implemented in accordance with the SEBI ESOP Regulations will be placed at the forthcoming Annual General Meeting of the Company for inspection by the members.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulations 16 of SEBI LODR Regulations.

Following changes occurred in the directorships / key managerial positions (KMP) of the Company during the FY 2018-19:

| Sr. No. | Name of Director               | Particulars of Change (Appointment / Resignation/Others)                                    | Effective Date of change |
|---------|--------------------------------|---|--------------------------|
| 1.      | Mr. Ashok Mehta                | Resigned as Independent Director & appointed as an Interim CEO (without being on the Board) | April 17, 2018           |
| 2.      | Mr. P. Vijaya Bhaskar          | Ceased to be Independent Director of the Company due to sudden and sad demise               | May 04, 2018             |
| 3.      | Ms. Vijayalakshmi Rajaram Iyer | Appointed as Non-Executive Independent Director   | May 08, 2018             |
| 4.      | Mr. Deepak Ramchand Sabnani    | Resigned as Non-Executive Independent Director  | May 18, 2018             |
| 5.      | Mr. Malay Kumar Sinha          | Appointed as Non-Executive Independent Director   | May 28, 2018             |
| 6.      | Mr. Padam Narain Bahl          | Resigned as Non-Executive Independent Director  | June 04, 2018            |
| 7.      | Mr. Rama Krishna Shetty        | Resigned as Non-Executive Independent Director  | June 30, 2018            |
| 8.      | Mr. Sushil Chandra Tripathi    | Appointed as Non-Executive Independent Director   | August 01, 2018          |
| 9.      | Dr. Rashmi Saluja              | Appointed as Non-Executive Independent Director   | December 20, 2018        |
| 10.     | Mr. Krishnan Subramanian       | Ceased to be the Director upon approval of RBI for his resignation                          | March 11, 2019           |
| 11.     | Mr. Ashok Mehta                | Being Interim CEO, designated as KMP in place of Mr. Krishnan Subramanian                   | May 16, 2018             |
|         |                                | Stepped down as Interim CEO   | August 07, 2018          |
| 12.     | Mr. Milind Narendra Patel      | Appointed as Group CEO and designated as KMP  | August 07, 2018          |



Following changes occurred in the directorships / key managerial positions of the Company subsequent to the end of the financial year

| Sr. No. | Name of Director           | Particulars of Change (Appointment / Resignation/Others)                                | Effective Date of change |
|---------|----------------------------|---|--------------------------|
| 1.      | Mr. Gurvinder Singh Juneja | Appointed as CFO and designated as KMP  | April 23, 2019           |
|         |                            | Resigned as CFO and ceased to be KMP  | August 08, 2019          |
| 2.      | Dr. Rashmi Saluja          | Designated as Non-Executive Independent Chairperson of the Company                      | June 19, 2019            |
| 3.      | Mr. Milind Narendra Patel  | Resigned on June 10, 2019 and ceased to be Group CEO w.e.f. July 19, 2019               | July 19, 2019            |
| 4.      | Mr. Siddharth Dinesh Mehta | Appointed as Non-Executive Non-Independent Director upon receipt of approval of the RBI | July 30, 2019            |
|         |                            | Designated as Non-Executive Vice Chairperson of the Company                             | August 08, 2019          |
| 5.      | Mr. Ashish Tyagi           | Appointed as Interim CFO and designated as KMP  | August 08, 2019          |

Further, the Board of Directors in its meeting held on November 20, 2018 has also approved the appointment of Dr. Ashwani Mehta as Non-Executive Non-Independent Director, subject to the approval of RBI; the effective date of which was to be the date on which RBI approves the appointment. However, RBI vide its letter dated July 15, 2019 has intimated its non-acceptance to the aforesaid appointment.

As apprised in the last year's report, the appointment of Mr. Ashok Mehta and Mr. Siddharth Dinesh Mehta was approved as Non-Independent Directors on the Board subject to the RBI approval and which was to get effective upon the RBI approval. The RBI vide its letter dated December 13, 2018 has communicated that the Company's request for appointing Mr. Ashok Mehta and Mr. Siddharth Dinesh Mehta as Non-Executive Non-Independent Directors cannot be acceded to. The Company vide letter dated December 27, 2018 requested RBI for re-consideration of its application. In its letter dated July 15, 2019, RBI communicated its non-acceptance to the appointment of Mr. Ashok Mehta also as Director. The approval of RBI was received for appointment of Mr. Siddharth Dinesh Mehta as Non-Executive Non-Independent Director on the Board of the Company vide letter dated July 30, 2019.

Dr. Rashmi Saluja and Mr. Siddharth Dinesh Mehta (being additional directors) hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notices in writing from member(s) of the Company proposing the candidatures of Dr. Rashmi Saluja, Independent Director and Mr. Siddharth Dinesh Mehta, Non-Independent Director. Further, they are not disqualified from being appointed as Directors as specified in terms of Section 164 of the Act.

Brief resume and other details relating to the directors, who are to be appointed/ re-appointed as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standards issued by ICSI, are furnished in the Notice of Annual General Meeting forming part of the Annual Report. Further, in the opinion of the Board Dr. Rashmi Saluja qualifies the criteria of Independent Director as mentioned in the Act and SEBI LODR Regulations and is independent of the management.

## BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI LODR Regulations, the Board is required to carry out an annual performance evaluation of its own performance, the performance of the directors individually as well as the evaluation of the working of its Committees.

The performance evaluation of the members of the Board, the Board level Committees and Board as a whole was carried out on May 22 and May 23, 2019 as per the Board evaluation policy of the Company. The manner in which evaluation has been carried out and criteria of evaluation has been explained in the Corporate Governance Report.

## REMUNERATION POLICY

Remuneration Policy formed by the Board on the recommendation of the Nomination and Remuneration Committee is in place for selection and appointment of Directors, Key Managerial Personnel and their remuneration as well as policy on other employees' remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link <https://www.religare.com/Policies.aspx>



## BOARD/COMMITTEE COMPOSITION AND MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. The details of composition of Board and Committees and their meetings held during the year are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the SEBI LODR Regulations.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The strategic intent was to adopt a unified cause across the Religare Group and hence the CSR policy and program to be supported was cascaded across all Group entities.

The belief and philosophy of the group is that being a responsible corporate citizen, it would strive to bring about overall positive impact in societies/local communities.

Earlier, the group had engaged the Fortis Charitable Foundation ("FCF") as its implementation partner to pursue and drive the identified agenda/programs. However, during the financial year under review, the Board of Directors reviewed the engagement with FCF and decided to terminate the same. Considering the financial position of the Company and due to losses in Religare Finvest Limited, one of the major CSR contributors in the group in past few years, no new agency has been appointed thereafter for undertaking the CSR activities of the group.

For the year ended March 31, 2019, the Company was not required to spend amount under CSR for FY 2018-19 as prescribed under Section 135 of the Act.

Annual Report on CSR in the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure A".

## AWARDS & RATINGS

The company and its subsidiaries have received the following awards and recognitions during the period under review –

### AWARDS

- **Religare Health Insurance Company Limited:**
  - i. 'Best Health Insurance Company of the Year' – Emerging Asia Insurance Awards 2019
  - ii. 'India's Most Preferred Health Insurance Brand' – India's Most Preferred Smart City Brands 2018-19
  - iii. 'India's Best Travel Insurance Product' – India Travel Awards 2018
  - iv. 'Health Insurance Category Award' – FICCI Healthcare Excellence Awards 2018
  - v. 'Bancassurance Leader of the Year' – Insurance India Summit & Awards 2018
  - vi. 'Best Claims Service Provider of the Year' – Insurance India Summit & Awards 2018
  - vii. 'India's Most Preferred Travel Insurance Product' for the Product – Explore by India's Most Preferred Travel & Tourism Brands 2018
  - viii. 'Skoch Award' in the Micro Insurance Bronze Category 2018 for 'Grameen Swaasthya Suraksha'
- **Religare Commodities Ltd. :** 'Best Broking House – Bullion' – MCX Awards 2019
- **Religare Broking Ltd. :** 'Regional Retail Member of the Year – North' - NSE Market Achievers Awards 2018

### RATINGS

In November 2018, ratings for following specific issuances of the Company from India Ratings & Research Private Limited ('Ind-Ra', a Fitch Group Company) were revised as below:





- The Company's ₹ 176 cr. secured redeemable non-convertible debentures (NCDs): "IND BBB-/ Rating Watch Negative" was withdrawn.
- The Company's Short Term Debt Facility/Commercial Paper of ₹ 50 cr.: "IND A3/ Rating Watch Negative" was revised to "Ind A4+/RWN".

Ind-Ra has stated that the revision in the ratings of the Company is inter-alia on account of downgrade of credit rating of Religare Finvest Limited ("RFL"), subsidiary Company. Credit rating revision is a reflection of RFL's reduced ability to provide support in view of its operational and financial challenges. Ind-Ra believes that the Company's long term support expectation from RFL, which formed main premise of rating linkage, has considerably reduced. The Company has not received dividends from RFL in FY 2017 & 2018. Ind-Ra has also noted that during the 12 months ended October 2018, the Company has repaid substantial part of its debt obligations, while has further simplified the group structure through merger of certain group companies within itself.

Further, the aforesaid existing rating of "Ind A4+/RWN" for Company's Short Term Debt Facility/Commercial Paper of ₹ 50 cr. was also withdrawn in January 2019 as there was no outstanding facility against the same.

The Company has no outstanding NCDs and Commercial Papers as on March 31, 2019 or thereafter till the date of adoption of this report.

### **LISTING ON STOCK EXCHANGES**

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the year 2019-20 have been paid to both the Stock Exchanges.

### **STATUTORY DISCLOSURES**

None of the Directors of your Company is disqualified as per provision of section 164(2) of the Act. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and the SEBI LODR Regulations.

### **CONSOLIDATED FINANCIAL STATEMENTS**

As required under the Regulation 34 of SEBI LODR Regulations and Section 129(3) of the Act, consolidated financial statements of the Company and its subsidiaries are attached to the Annual Report. The consolidated financial statements have been prepared in accordance with Indian Accounting Standard Ind-AS-103, "Business Combination" and Ind AS-110 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India and notified by the MCA. The audited consolidated financial statements together with Auditor's Report forms part of the Annual Report.

The Company although holds 100% equity share capital in Religare Capital Markets Limited ("RCML"), however in the present scenario controlling through voting rights of RCML is not there with the Company. Beside this, the tripartite agreement entered into, in financial year 2011-12, between REL, RCML and RHC Holding Private Limited ("RHCHPL"), a promoter group company for providing financial support to RCML by RHCHPL (by subscribing Preference Shares of RCML) severe long term restrictions and significant restrictive covenants on major decision making at RCML were imposed by the holder of preference shares. Accordingly in view of the above, the financial statements of RCML and its subsidiaries have been excluded from the consolidated financial statements of the Company w.e.f. October 01, 2011, in accordance with applicable accounting standards. The Company has already provided fully for the entire investment made by it into RCML in previous years.

Therefore, the Consolidated Financial Statements presented by your Company, including financial information of all its subsidiaries, excluding RCML and RCML's subsidiaries, have been duly audited by the Statutory Auditors and the same is published in your Company's Annual Report.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis. In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not applicable to the Company and hence have not been provided.



## FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has incurred expenditure of ₹ 43.86 Lakhs (previous year: ₹ 123.86 Lakhs) in foreign exchange and earned Nil (previous year: nil) in foreign exchange during the year under review on a standalone basis.

## MAINTAINANCE OF COST RECORDS

The Company is in the financial services industry. In view of the nature of activities which are being carried on by the Company, the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act is not applicable on the Company and hence such accounts and records are not maintained.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

No amount was required to be transferred by the Company to the Investor Education and Protection Fund during the financial year under reporting.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- (b) they have 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 at the end of the financial year and of the loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis ;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE

The Company is committed to uphold the high standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India.

The Company's Board has taken various steps to enhance the corporate governance and compliance at group level which encompasses from change in top management including appointment of senior officials at REL level to re-organization of Boards of subsidiaries of the Company.

A detailed report on Corporate Governance along with the Certificate of M/s Sanjay Grover & Associates, Company Secretaries regarding compliance with conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI LODR Regulations forms integral part of this Report.

## AUDITORS

M/s S.S. Kothari Mehta & Co., Chartered Accountants, (Firm Registration No. 000756N), were appointed as statutory auditors of the Company by the shareholders at the 33rd Annual general Meeting of the Company ("AGM") held on September 21, 2017, to hold office for a period of five consecutive years commencing from the financial year 2017-18 i.e. from the conclusion of 33rd AGM until the conclusion of the 38th AGM to be held in the year 2022 (subject to the ratification of appointment at every AGM as per provisions of Section 139(1) of the Act).

However, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.





## AUDITORS' REPORT

The Reports given by the Auditors on the financial statements of the Company form part of this Annual Report. The Management response on the Statutory Auditors' Qualification / Comments on the Company's standalone financial statements and consolidated financial statements is as below:

### Management's response on the Statutory Auditors' Qualification / Comments on the Company's standalone financial statements:

- a. **Qualification pertaining to non-redemption of Preference Shares by the Company due for redemption on October 31, 2018, in the Auditors Report:** The Company has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of ₹ 4,190.28 lakhs) and disputed the liability stating the transaction to be an illegal one by filing the interim application having I.A. No. 16727/2018 in the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016). The Company has already accounted for the redemption value of ₹ 4,190.28 lakhs in its financial statements. Since the matter is sub-judice, the management cannot determine the amount of any additional liability at this point of time, if any, which may arise due to non-redemption of said preference shares.
- b. **Qualification pertaining the process for updating the documentation for Micro Small & Medium Enterprises as per MSMED Act 2006, in the Report on Internal Financial Controls:** The Company has initiated the process and have identified the substantial vendors under the MSMED Act, 2006 during the year under review and same is proposed to be completed in the quarter ending September 30, 2019.

### Management's response on the Statutory Auditors' Qualification / Comments on the Company's consolidated financial statements

- a. **Qualification pertaining to Lakshmi Vilas Bank adjusting the fixed deposits of Religare Finvest Ltd., subsidiary of the Company (RFL):** RFL had filed a suit for recovery of amounts misappropriated by the Lakshmi Vilas Bank ("LVB") placed as Fixed Deposits with it on May 31, 2018 before the Hon'ble Delhi High Court. The Hon'ble High Court was pleased to pass interim Orders directing that status quo be maintained in respect of RFL's current account maintained with LVB.

It is pertinent to mention here that LVB has sought to delay the adjudication of the interim reliefs and the suit for recovery sought by RFL by filing multiple applications, all of which have been kept in abeyance by the Hon'ble Court till such time RFL's applications for interim reliefs are disposed of. The pleadings in the matter are now complete, in as much as LVB has filed a reply to RFL's suit and RFL has filed its rejoinder to the same. LVB has further filed a sur rejoinder to the rejoinder filed by RFL. Strategic Credit Capital Private Limited and Participation Finance and Holdings (India) Pvt Limited have filed applications to be impleaded in the matter, which are yet to be adjudicated on by the Hon'ble Court. The case has been fixed for arguments on interim applications filed by RFL for various dates since July 19, 2018 till March 11, 2019. On March 11, 2019 arguments were addressed at length by the counsel of Plaintiff. The Hon'ble Court was pleased to reserve order on the interim application on April 12, 2019.

Thereafter, LVB filed another application placing ex-parte SEBI order dated March 14, 2019 on record. RFL filed affidavit pursuant to the order dated April 9, 2019 passed by the Hon'ble High Court of Delhi along with the reply qua the ex-parte interim order of the SEBI dated March 14, 2019 and letters addressed to RBI & NHB.

RFL has now filed an amendment application seeking amendment of plaint before the Hon'ble High Court of Delhi on which notice has been issued for August 23, 2019.

Apart from the civil suit for recovery RFL has also filed a criminal complaint against LVB and other accused persons on May 15, 2019 before the Economic Offences Wing, Delhi which is under investigation.

- b. **Qualification pertaining to Corporate Loan Book of Religare Finvest Ltd., subsidiary of the Company (RFL):** RFL has an exposure of ₹ 203,670 Lakhs as per financials as at March 31, 2019 towards the Corporate Loan Book. RBI has raised concerns in the past about the credit worthiness of the borrowers, credit appraisal and loan sanctioning mechanism followed by RFL in respect of this book. The management has reviewed the portfolio and the financial reports of the borrowers to determine the recoverability of the said loans. Based on the maturity dates of the loans, recovery steps instituted and the financial reports of the borrowers, RFL had, on a prudent basis, made full provision of ₹ 203,670 Lakhs as at March 31, 2019 against this portfolio.

A law firm of repute was appointed to undertake a detailed diligence on this loan book and the said diligence has been completed. Insolvency proceedings have been initiated before the NCLT Delhi and Kolkata against the Borrowers forming a part of the Corporate Loan Book. The Insolvency Petitions filed before the NCLT, New Delhi were listed on March 27, 2019 for addressing arguments for the admission of petitions.



Arguments were heard at length on the said date and the Hon'ble NCLT was pleased to reserve its order and requested the counsels for all the parties to file their written submissions. Order reserved for admission but the Proceedings are stayed by Supreme Court vide order 05.04.2019. Based on the due diligence report and the replies filed by the borrowers before the NCLT, RFL had also filed a criminal complaint before the EOW, Delhi, on which a F.I.R. no. 50/2019 has been registered and is under investigation.

Whereas, the insolvency petition titled as "Religare Finvest Limited vs. Bharat Road Network Limited" filed before the NCLT, Kolkata was listed for admission hearing on March 29, 2019. The corporate debtor/borrower has filed its reply on the last date of hearing i.e. 18-Jul-19 to which RFL has to file its rejoinder. The matter is posted for admission hearing on August 19, 2019

During the year ended March 31, 2019, there is no movement in this portfolio.

- c. **Qualification pertaining to increase in rates by some of the lenders and not creating provision for the increased rate by Religare Finvest Ltd., subsidiary of the Company (RFL):** RFL has raised the concern and is perusing with the banks for restoring the contractual Rate of Interest. RFL has not made the provision of increased amount of Interest amounting to ₹ 2,898.47 lakhs, but has shown the same as contingent liability in the financial statements.
- d. **Qualification pertaining to sale of GNPA of ₹ 3,038.13 lakhs for a value of ₹ 2,278.60 lakhs to a Trust for security receipt as a consideration by Religare Housing Development Finance Corporation Ltd., subsidiary of RFL (RHDFCL):** Sale of GNPA to Reliance ARC is concluded within the RBI purview and the RHDFCL has obtained true sale opinion for concluding the transaction. Accordingly, RHDFCL has derecognized the NPA loan receivables and has recognized security receipts as investments in the books of accounts. RHDFCL shall recognize profit/loss on the Security Receipts based on the evaluation by independent rating agency as stipulated under RBI Regulation. Under IND-AS, the security receipts issued by the trust would full-fill the criteria for a financial asset and has been recognized in its books.
- e. **Qualification pertaining to increase in rates by some of the lenders and not creating provision for the increased rate by RHDFCL:** In previous year because of rating downgrade lenders have arbitrarily increased the interest rate and RHDFCL has requested for the reversal of such increase in rates. Banks have placed RHDFCL request to the appropriate authority for such reversal. Therefore, RHDFCL has not recognized as interest expenses and shown as contingent liability.

**Management's response on the Statutory Auditors' Qualification / Comments on the Company's consolidated report on Internal Financial Controls pertaining to RFL:**

- (i) **Material weakness in Internal Financial Control over Financial Reporting in the Credit evaluation process in respect of Corporate Loan Book and loan against property & shares;**  
As apprised in the last year's report as a strategy, RFL management has decided not to extend any further loans under Corporate Loan Book and loan against shares. Further, adequate controls exist for loans granted under Loans against property (SME-Secured Loans) and Loans against shares. Further, since RFL is under corrective action plan of RBI since January 2018, no fresh loan has been disbursed during the year under reporting and hence controls in respect of these processes were not tested during the year.
- (ii) **Updated documentation for Micro Small & Medium Enterprises as MSMED Act 2006;** During the year under review, RFL has taken steps for updating its documentation for Micro, Small and Medium Enterprises as per MSMED Act, 2006 which is expected to be completed this year.
- (iii) **Strengthening of control over Information Technology General Controls:** RFL management has implemented corrective actions in the Controls over Information Technology General Controls during the year under review. However, certain controls need to be further strengthened particularly in respect of access rights management and IT assets management for which adequate steps are being taken by the Management.

**SECRETARIAL AUDITORS' REPORT**

As per provisions of Section 204 of the Act, the Board of Directors of the Company has appointed M/s P I & Associates as the Secretarial Auditor of the Company to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2019, is annexed to this Report. Management comments on qualifications given by auditors in the report are as follows:

- (a) **Non-compliance with Secretarial Standards issued by The Institute of Company Secretaries of India:**  
The Company has complied with Secretarial Standards except in few cases where minutes were circulated



to the Board members beyond prescribed timelines due to frequent changes at Board and management level during year under review. The management will take steps to ensure that same is not repeated in future.

- (b) **Non-submission of audited financial results for the quarter and year ended March 31, 2018 within the sixty days:** The meeting of Board of Directors to consider and approve the audited financial results for the quarter and year ended March 31, 2018 was held on May 30, 2018. The Board meeting commenced at 10:30 a.m. on May 30, 2018 and ended at 2.30 a.m. on Thursday, May 31, 2018. Consequently, the Company could upload the results only after the closure of Board meeting (in next 30 minutes of closure of the Board meeting) which resulted in delay of approx. 3 hours in submission of financial results to the exchanges. The Company represented before the exchanges for condoning the marginal delay of approx.. 3 hours in submission of results which was acceded to by the NSE while no further communication was received from BSE on same.
- (c) **Appointment of CFO:** The office of CFO became vacant on January 24, 2018. The Company was required to appoint CFO within six months i.e. by July 23, 2018. The Company was looking for the candidates for the CFO position but given the situation of Group and various ongoing investigations, the Company could not fill in the position within prescribed time limit. The Company subsequently appointed Mr. Gurvinder Singh Juneja as Chief Financial Officer with effect from April 23, 2019.
- (d) **Performance evaluation of the Board in FY 19:** The performance evaluation was initiated by the Company during the financial year 2018-19 but same couldn't be completed as the majority of the Board members were newly appointed directors at the time of evaluation and were not in a position to do the evaluation exercise.
- (e) **Non-approval of a related party transaction with Religare Finvest Limited (RFL), subsidiary company:** A transaction amounting ₹ 131.35 lakhs with RFL was missed for prior-approval of the Audit Committee. The said transaction was in relation to expense reimbursement for the common shared service to RFL which was required to be paid due to shifting of employees of the Company to a new common floor in March 2018 which was owned by the said subsidiary on lease basis. The said transaction was subsequently ratified by the Audit Committee in its meeting held on September 06, 2018.
- (f) **Non-compliance of Directions relating Master Directions – Information Technology for the NBFC Sector:**
- The Circular is primarily talking about the NBFCs without any mention of CICs, hence the Company immediately wrote to RBI after the circular came to seek clarification of its applicability on the Company being a CIC.

RBI clarified on the matter only in February 2018 to comply the same. Thereafter, the Company immediately took necessary steps and the Gap Assessment as per RBI requirement has been conducted and the report has already been presented to the Board in May 2018 and the Board was also apprised about RBI's requirements w.r.t. IT framework in its meeting held in May 2018.

Further, thereafter, there were frequent changes at the Board and management level, hence no further decision and action was taken to comply the requirement of said RBI Master Directions.

However, the management and the department heads have internally discussed, evaluated and are in the process of finalization of the said policies and necessary steps are being taken to get the same approved by the Board of Directors. Towards the same, the Company has already constituted the IT Strategy Committee in May 2019.

## **PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES**

The Company, being an NBFC, is exempted from the provisions of Section 186 [except sub-section (1)] of the Act. Accordingly, details of particulars of loans, guarantees or investments as required to be provided as per Section 134(3)(g) of the Act are not provided.

## **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions entered by the Company with related parties which may have a potential conflict with the interest of the Company.

All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The policy is also uploaded on the website of the Company & can be accessed through the link [https://www.religare.com/pdf/Related\\_party\\_Transaction\\_Policy\\_02042019.PDF](https://www.religare.com/pdf/Related_party_Transaction_Policy_02042019.PDF)

Since all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and there was no material related party transaction entered by the Company during the year



as per Related Party Transactions Policy, no details are required to be provided in Form AOC-2 prescribed under clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The details of the transactions with related parties are provided in the notes to accompanying standalone financial statements.

## **RISK MANAGEMENT**

The Board of Directors of the Company has constituted a Risk Management Committee, which is responsible for framing, implementing, monitoring and periodically review the effectiveness of the risk management plan and make appropriate changes as and when necessary. The details of the Committee are set out in the Corporate Governance Report forming part of the Annual Report.

The Company / REL is not an operating company and therefore major risk lies with management and operation of its subsidiary / group companies. The Company being an investment holding company, has a comprehensive Risk Management framework and overarching Risk Management policy, which is adopted by each of the key subsidiaries while formulating their Risk Policy. Risk Management Policy is aimed at identification, evaluation, mitigation, monitoring and reporting of identifiable risks. Respective functional head and/or risk management department of subsidiaries are responsible for implementation of the Risk Management system and maintenance of record of risk and mitigation plan in Risk & Control Matrix (RCM), which is tested and updated periodically. Therefore, the risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identification of risks and their classification in High, Medium and Low categories on the basis of likelihood, impact and velocity. .

The subsidiary company's Risk Management Committee authorized by the respective Board, or in its absence the respective Audit Committee, reviews the risk management policy and appropriateness of systems and controls in this regard and submits its report to the Risk Management Committee of your Company on periodical basis.

## **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of unethical practices, fraud and mismanagement, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization. The detail of the Whistle Blower Policy has been posted on the website of the Company & can be accessed through the link <https://www.religare.com/Policies.aspx>

During the year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

## **INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEM**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the comprehensive agreement with the internal audit agency, which is reviewed and approved by the Audit Committee of the Company and its respective subsidiaries. The Company has appointed M/s KPMG as the Internal Auditor of the Company as approved by the Audit Committee. KPMG also assist the Company and its key subsidiaries in testing and reporting of Internal Financial Controls (IFC) on quarterly basis through an integrated system of internal audit and IFC testing. To maintain its objectivity and independence, the Internal Auditor agency directly reports to the Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of the internal control system and internal financial controls in the Company, its compliance with operating systems, accounting procedures, policies and regulatory requirements at all locations of the Company and its subsidiaries. Based on the integrated report of internal audit function and IFC, process owners undertake corrective action in their respective areas and thereby strengthen the internal controls. Significant audit observations and corrective actions thereon along with IFC dashboard are presented to the Audit Committee on periodical basis.

## **HUMAN RESOURCES**

The Company and its subsidiaries have been operating in challenging times. However, in continuation to our dedicated efforts towards rebuilding the Group, we have seen a lot of tangible and positive developments in the Company: induction of credible members in the Board of Directors, increased corporate governance and controls, cost rationalization, closer interaction with regulators and attraction of fresh talent.

As the transition of the Company in to this new phase continues, our management and employees are strongly aligned towards building an enabling eco-system to restore high growth and profitability. Employees are our vital and most valuable assets. Over this period, we have developed a strong culture of transparency through constant



employee communication. In order to boost the employee morale, the organization has recognized the commitment, loyalty and contribution of its internal stakeholders. The Company is dedicated to offering its employees favorable work environment and opportunities to navigate through the current period and also influence its future course of direction as planned.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. An Internal Complaints Committee (ICC) is in place as per the requirements of the said Act to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No case has been reported during the year under review.

#### **PARTICULARS OF EMPLOYEES**

The details required under Section 197(12) of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as “**Annexure B**” to this report.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors affirm that except as mentioned in Secretarial Audit Report and Managements’ response on same, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant or material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its operations in future except to the extent mentioned in this Report.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION**

There are no material changes and commitments adversely affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate (i.e. March 31, 2019) and as of date of the report i.e. August 08, 2019.

#### **ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Company’s Bankers, Regulatory Bodies, Stakeholders including Financial Institutions and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors also wish to place on record their deep sense of gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company during the year under review. Your Directors would also like to thank all shareholders for their continued faith in the Company and look forward to your continued support in the future.

**By order of the Board of Directors  
For Religare Enterprises Limited**

Sd/-  
**Rashmi Saluja**  
Non-Executive Independent Chairperson  
DIN: 01715298

**Place:** New Delhi  
**Date:** August 08, 2019

**Address:** Prius Global, A-3,4,5,  
Sector – 125, Noida – 201 301





## Annexure A

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

Company has adopted its CSR Policy which aims at supplementing the role of the Government in enhancing the welfare measures for the underprivileged communities and aims to ensure that the communities receive good quality healthcare facilities. It also aims at promoting holistic health awareness and education to empower communities thus helping them lead a fuller and healthier life at large.

CSR Policy of the Company provides the overview of projects or programs which are proposed to be undertaken by the Company..

The CSR Policy of the Company can be assessed at the company's website through the link:

[https://www.religare.com/pdf/REL\\_CSR\\_policy\\_2017.pdf](https://www.religare.com/pdf/REL_CSR_policy_2017.pdf)

2. **The Composition of the CSR Committee.**

Ms. Sabina Vaisoha (Member)

Mr. Sushil Chandra Tripathi (Member)

Mr. Malay Kumar Sinha (Member)

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

Loss of ₹ 86.99 crores

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

Nil

5. **Details of CSR spent during the financial year.**

a. **Total amount to be spent for the financial year:** Nil

b. **Amount unspent, if any:** Nil

c. **Manner in which the amount spent during the financial year is detailed below -**

| S. No.       | CSR project or activity identified | Sector in which the project is covered | Projects or programme: (i) Local area or other (ii) Specify the State or District where the projects or programmes was undertaken | Amount outlay (Budget) project or programme wise (Amount in ₹) | Amount spent on project or programs: Sub head: 1. Direct expenditure on project or programme; 2. Overhead (Amount in ₹) | Cumulative expenditure up to the date of reporting (Amount in ₹) | Amount spent: Direct or through implementing agencies* |
|--------------|------------------------------------|--|---|--|---|--|--|
| 1            | N.A                                | N.A                                    | N.A   | N.A  | N.A   | N.A  | N.A  |
| <b>Total</b> |                                    | -                                      | -   | -  | -   | -  | -  |

\* The Company was not required to spend money under CSR for financial year 2018-19 as prescribed under Section 135 of the Companies Act, 2013

6. For the year ended March 31, 2019 due to losses during past three years, the Company was not required to spend amount under CSR for FY 2018-19.
7. CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and CSR Policy of the Company.

**By order of the Board of Directors  
For Religare Enterprises Limited**

Sd/-  
**Sabina Vaisoha**  
Director  
DIN: 00207306

Sd/-  
**Malay Kumar Sinha**  
Chairperson - CSR Committee meeting  
DIN: 08140223

**Place:** New Delhi  
**Date:** August 08, 2019

**Address:** Prius Global, A-3,4,5,  
Sector – 125, Noida – 201 301

**Address:** Prius Global, A-3,4,5,  
Sector – 125, Noida – 201 301



## Annexure B

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name & Designation                            | Ratio to Median REL Remuneration |
|---|----------------------------------|
| Mr. Krishnan Subramanian – Director – Finance | NA (Exited during the year)      |

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| Name & Designation                           | % increase in REL remuneration in the financial year  |
|--|---|
| Mr. Krishnan Subramanian – Director -Finance | NA (Exited during the year)   |
| Mr. Ashok Mehta – Interim CEO                | NA  |
| Mr. Milind Narendra Patel – Group CEO        | NA  |
| Mr. Gurvinder Singh Juneja - CFO             | NA (Appointed CFO on April 23, 2019)  |
| Ms. Reena Jayara - Company Secretary         | NA (Since information for previous FY 2017-18 was for part of the year, same is not comparable) |

- (iii) The percentage increase in the median remuneration of employees in the financial year: **NA** (Not comparable since many of the current employees were appointed during the previous financial year 2017-18)
- (iv) The number of permanent employees on the rolls of company: **39 (as on 31 March'19)**
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **NA as many of the current employees were appointed during the previous financial year 2017-18**
- (vi) Affirmation that the remuneration is as per the remuneration policy of the company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.





## Religare Enterprises Limited

### Statement of Employee remuneration pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S. No. | Name                              | Age | Designation                                       | Gross Remuneration (₹) | Qualification            | Experience (years) | Date of Commencement of Employment | Last Employment                   |
|--------|-----------------------------------|-----|---|------------------------|--------------------------|--------------------|------------------------------------|-----------------------------------|
| 1      | Amarjeet Singh Arora              | 56  | Director - Legal & Recovery*                      | 5,597,760              | B.Com,                   | 37                 | 1-Jan-18                           | Religare Support Services Limited |
| 2      | Saurabh Srivastava                | 40  | SVP - Information Technology                      | 7,938,410              | BCA, MCA                 | 17                 | 1-Jan-18                           | Religare Support Services Limited |
| 3      | Rajesh Sharma                     | 50  | Director - Internal Audit*                        | 5,772,659              | B.Com, CA                | 24                 | 1-Jan-18                           | Religare Support Services Limited |
| 4      | Kishore Belai <sup>1</sup>        | 44  | Director-Corporate Strategy & Investor Relations* | 4,427,744              | B.Com, AICWA, ACS        | 24                 | 1-Jan-18                           | Religare Support Services Limited |
| 5      | Gurvinder Singh Juneja            | 44  | Director - Finance Controller & Strategy*         | 11,954,706             | MBA and B Tech           | 20                 | 1-Jan-18                           | Religare Support Services Limited |
| 6      | Nishant Singhal                   | 38  | EVP & Group Head – Litigation                     | 3,269,106              | B. Com, LLB              | 14                 | 1-Oct-18                           | Religare Finvest Limited          |
| 7      | Krishnan Subramanian <sup>2</sup> | 47  | Director – Finance                                | 7,139,997              | B.Com, PGDBA, ACS, AICWA | 26                 | 14-Nov-17                          | Cloud Nine Hospitals              |
| 8      | Sunayna Bhatia <sup>3</sup>       | 36  | SVP Legal   | 4,673,336              | LLB, LLM                 | 10                 | 1-May-18                           | RHC Holding Private Limited       |
| 9      | Nitya Kishore Sahu                | 61  | Group Head – Compliance                           | 8,586,667              | MA (Economics), CAIIB    | 35                 | 23-Apr-18                          | Reserve Bank of India             |
| 10     | Milind Narendra Patel             | 50  | Group CEO   | 28,604,733             | B. Com, MMS, GRAD CWA    | 27                 | 7-Aug-18                           | IL&FS Financial Services Limited  |

<sup>1</sup> Resigned w.e.f. September 14, 2018

<sup>2</sup> Resigned on November 14, 2018. However, he ceased to be Director – Finance w.e.f. March 11, 2019 upon receipt of RBI approval for his resignation.

<sup>3</sup> Resigned w.e.f. February 14, 2019

\*Non Board members

- Persons named above are/ were permanent employees of the Company except Mr. Nitya Kishore Sahu whose appointment is contractual for a fixed term of 2 years.
- Remuneration includes salary, allowances, leave encashment, bonus, leave travel concession, reimbursement of medical expenses to employees. In addition, the employees are entitled to gratuity, employer's contribution to Provident Fund and group insurance in accordance with Company's Rules.
- The appointment of the above employees is non-contractual except as stated in 1. above however they are all governed by the Company policy and rules.
- None of the employees above has equity shareholding in the company exceeding 2% of the equity shares as on March 31, 2019.
- None of the employees mentioned above are relative of any Director of the Company.
- None of the employees were in receipt of remuneration which in the aggregate, is in excess of that drawn by Managing Director of the Company and also holds by himself or along with his spouse and dependent children, 2% of the equity shares of the Company.

**By order of the Board of Directors  
For Religare Enterprises Limited**

Sd/-  
**Rashmi Saluja**  
Non-Executive Independent Chairperson  
DIN: 01715298  
Address: Prius Global, A-3,4,5,  
Sector – 125, Noida – 201 301

Place: New Delhi  
Date: August 08, 2019



**FORM MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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

To,  
The Members,  
**Religare Enterprises Limited**  
(L74899DL1984PLC146935)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Religare Enterprises Limited** (hereinafter called “the Company” or “REL”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, 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, we hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment,
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the audit period)**;
  - 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 to the Company during the audit period)**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during the audit period)**
  - h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; **(not applicable to the Company during the audit period)**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) 2015");



(vi) We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-

- The Reserve Bank of India Act, 1934 (RBI) to the extent it is applicable to Core Investment Companies (CIC),
- Master Directions on Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions")
- NBFC (Approval of Acquisition or Transfer of Control) Directions, 2015
- The Prevention of Money Laundering Act, 2002 read with the rules made thereunder.
- Master Direction on Information and Technology Framework for the NBFC Sector.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. *The Company is generally regular in complying with the standards except in few occasions.*
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. *That the Company did not submit the audited financial results for the quarter and year ended March 31, 2018 within the sixty days thereof in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. As informed to us, the Company was imposed with fine of ₹ 5,000/- each by BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") against which the Company represented before the stock exchanges for condoning the marginal delay of approx. 3 hours in submission of results which was acceded to by the NSE while no further communication was received from BSE on same.*
2. *That the office of the Chief Financial officer had also been vacant as at March 31, 2019 which is not in compliance with the provisions of Section 203 of the Companies Act, 2013. However, the Company has subsequently appointed Mr. Gurvinder Singh Juneja as Chief Financial Officer with effect from April 23, 2019.*
3. *That no performance evaluation of Directors was carried out by the Board in terms of provisions of Companies Act, 2013 and SEBI (LODR) 2015. In this regard, the Company informed that the performance evaluation was initiated by the Company but same couldn't be completed as the majority of the Board members were newly appointed directors at the time of evaluation.*
4. *That the Company entered into a transaction with the related party i.e. Religare Finvest Limited amounting to ₹ 131.25 Lakhs without prior approval of the Audit Committee. However, the said transaction was subsequently ratified by the Audit Committee.*
5. *That as per the Master Directions- Information Technology (IT) for the NBFC Sector, the Company has not complied with these directions by September 30, 2018 including constitution of IT Strategy Committee, IT/ Information System (IS) Policy and other policies, etc. However, in the Board Meeting held on May 23, 2019 the Company has complied with the one of the directions which is in regard to the constitution of the Committee.*

**We further report that:**

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors and Non-Executive Directors except Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meeting which were held on 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.

Majority decision is carried through while the dissenting members' views are captured, if any and recorded as part of the minutes.



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

**We further report that** during the audit period, following events were occurred:

- i. That the Company at its Annual General Meeting held on September 20, 2018 did not accord the approval for payment of remuneration to Mr. Subramanian Lakshminarayanan and Mr. Francis Daniel as Executive Directors. The Company has sent notices for refund of remuneration paid to them during their respective tenure. They have not refunded the amount till date and as informed to us, the Company is exploring all legal options to recover the amount.
- ii. That the Company has approved following Employee Stock Options Plan 2019:
  - Religare Enterprises Ltd. Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") for employees of the Company.
  - Religare Enterprise Ltd. Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme) For employees of the Holding Company and Subsidiary Companies of the Company.
  - Grant of options under the Religare Enterprises Ltd. Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") to the Employees equivalent to or exceeding 1% of the current issued share capital of the Company.
- iii. That the Company has made an application dated January 16, 2019 with the Stock Exchange (s) for Re – Classification of Existing Promoters and Promoter Group of the Company into Public Shareholders category. NSE advised the Company to justify the compliance of erstwhile Reg. 31A(6)(I) of SEBI (LODR) Regulations, 2015. Accordingly, the Company submitted an application dated April 15, 2019 with SEBI seeking for an exemption from strict application of one of the conditions mentioned in erstwhile Regulation 31A(6) in relation to re – classification of existing Promoters and Promoters Group of Religare Enterprises Limited to Public Shareholders. As informed to us, the response of SEBI on the application is currently awaited till the date of this report.
- iv. That the Company has been receiving communication from the office of Serious Fraud Investigation Office ("SFIO"), Ministry of Corporate Affairs ("MCA"), Government of India, to seek information from the former and as informed to us, the information and documents have been provided to the latter.
- v. That the SEBI vide Settlement Order No. EAD/SR/SM/SO/10/2018 – 19 dated January 17, 2019, has disposed off the adjudication proceedings initiated vide Show Cause Notice SEBI/HO/EAD/E&AO/SR/SM/OW/19015/1/2018 dated July 05, 2018 for delay in filing of disclosure in terms of Regulation 7(2) (b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to dealing in securities by Mr. Sunil Godhwani, former Chairman and Managing Director of the Company. The Company has paid ₹ 2, 00,000/- (Rupees Two Lakh Only) towards summary settlement amount which were approved by the SEBI in the matter.
- vi. That in the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) No. 6 of 2016), the Interim application having L.A. No. 16727/2018 has been filed by REL disputing its liability as a garnishee came up for hearing on December 7, 2018. REL has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of ₹ 4190.28 lakhs) and disputed the liability stating the transaction to be an illegal one. The Hon'ble High Court of Delhi directed REL to file an affidavit disclosing the names of persons who were on its Board of Directors and were managing its affairs when the alleged sham transaction was executed. It also remarked that it expected REL to file a complaint with concerned Police Station. Accordingly, in compliance thereof, REL has filed an affidavit disclosing the names of persons who were on Board of Directors at relevant times and has also filed a criminal complaint on March 22, 2019 with the Economic Offences Wing, Delhi Police against Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Mr. Sunil Godhwani, RHC Holding Private Limited, Oscar Investments Limited, RHC Finance Private Limited and their other associates for various offences under the Indian Penal Code, 1860 including the offences of cheating, criminal breach of trust, criminal misappropriation, forgery, forgery for the purposes of cheating and criminal conspiracy w.r.t. transactions relating to issuance and redemption of Preference Shares. The matter is pending before the High Court for staying the redemption of the said preference shares held by Oscar Investments Limited due on October 31, 2018.
- vii. That the SEBI vide Order No. WTM/GM/IVD/100/2018 -19 dated March 14, 2019 read with the corrigendum dated April 18, 2019 ('Order') inter – alia issued directions to REL and RFL which are reproduced as below:



- a. REL and RFL shall initiate steps to recall all the loans, amounting to ₹ 2315.09 Crores (approx.), as specified in table no. 8 under para 4 of the Order, extended, either directly or indirectly, to the Noticee nos. 3 to 25 (viz. OSPL Infradeal Private Limited, Bharat Road Network Limited, Platinum Infrastructure Pvt. Ltd, Ad Advertising Pvt. Ltd., Artifice Properties Pvt. Ltd, Best Health Management Pvt. Ltd, Devera Developers Pvt. Ltd. Vitoba Realtors Pvt. Ltd., Fern Healthcare Pvt. Ltd., Modland Wears Pvt. Ltd., Rosestar Marketing Pvt. Ltd., Star Artworks Pvt. Ltd., Tripoli Investment & Trading Co, Volga Management and Consultancy Pvt. Ltd., Zolton Properties Pvt. Ltd., Religare Comtrade Limited, RHC Holding Pvt. Ltd, Ranchem Pvt. Ltd., ANR Securities, Shivi Holdings Pvt. Ltd., Malav Holdings Pvt. Ltd., Shri Malvinder Mohan Singh and Shri Shivinder Mohan Singh), along with due interest, within three months of the date of this order.
- b. The Noticee nos. 3 to 25 shall, pending completion of the investigation and till further orders, not dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI.
- c. The Noticee nos. 24 and 25 (viz. Shri Malvinder Mohan Singh and Shri Shivinder Mohan Singh) shall not associate themselves with the affairs of REL and RFL, in any manner whatsoever, till further directions.

The detailed investigation in the above stated matters is still in progress.

**For PI & Associates,  
Company Secretaries**

Sd/-  
**Nitesh Latwal**  
Partner

**ACS No.: 32109**  
**C P No.: 16276**

**Date: July 31, 2019**  
**Place: New Delhi**

*This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.*



**“Annexure A”**

To,  
The Members,  
**RELIGARE ENTERPRISES LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
Company Secretaries**

Sd/-  
**Nitesh Latwal  
Partner**

**ACS No.: 32109  
C P No.: 16276**

**Date: July 31, 2019  
Place: New Delhi**



**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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

To,  
The Members,  
**Religare Health Insurance Company Limited**  
(U66000DL2007PLC161503)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Religare Health Insurance Company Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company, 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Religare Health Insurance Company Limited ("the Company") for the financial year ended on March 31, 2019, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *(Not applicable to the Company during the period under review)*
- (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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Not applicable to the Company during the period under review)*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not applicable)*
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; *(Not applicable)*;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable)*
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable)*
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable)*
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Not applicable)*





(vi) We, based upon the compliance certificates and report of concurrent/ internal auditor, further state that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-

- a) Insurance Regulatory and Development Authority of India Act, 1999, and
- b) Insurance Act, 1938 and Rules/Regulations made thereunder including all the guidelines, circulars, notifications issued by the Authority from time to time.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; **(Not applicable)**

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

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

**We further report that** during the audit period the company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- I. Increase in Authorized Share Capital of the Company from ₹800 Crores (Rupees Eight Hundred Crores Only) divided into 80 Crores (Eighty Crores) Equity Shares of ₹10/- each to ₹1300 Crores (Rupees Thirteen Hundred Crores Only) divided into 130 Crores (One Hundred and Thirty Crores) Equity Shares of ₹10 each by creation of additional 50 Crores (Fifty Crores) Equity Shares of ₹10/- each.
- II. Approval of borrowing limit of the Company under Section 180(1) (c) upto the sum of ₹150 Crores (Rupees One Hundred and Fifty Crores Only).
- III. Approval for Issuance of Debentures by way of Private Placement within the overall borrowing limits of the Company of ₹150 Crores (Rupees One Hundred and Fifty Crores Only).
- IV. Approval for Amendment to Religare Health Insurance Employee Stock Option Scheme 2014 and Religare Health Insurance CEO Stock Option Scheme 2014.

**For PI & Associates  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner  
ACS No.: 32109  
C P No.: 16276**

**Date : April 26, 2019**

**Place : New Delhi**

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



**“Annexure A”**

To,  
The Members,  
**Religare Health Insurance Company Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner  
ACS No.: 32109  
C P No.: 16276**

**Date : April 26, 2019  
Place : New Delhi**



**FORM MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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

To,  
The Members,  
**RELIGARE BROKING LIMITED**  
(U65999DL2016PLC314319)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Religare Broking Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company, 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(not applicable during the period under review)**
- 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 to the extent of Foreign Direct Investment. **(not applicable during the period under review)**
- 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; **(not applicable during the period under review)**
  - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **(not applicable during the period under review)**
  - (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 during the period under review)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014; **(not applicable during the period under review)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable during the period under review)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(not applicable during the period under review)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(not applicable during the period under review)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(not applicable during the period under review)**



vi. We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-

- SEBI (Stock Brokers and Sub Brokers) Regulations, 1992
- IRDAI (Registration of Corporate Agents) Regulations, 2015
- Reserve Bank Commercial Paper Directions, 2017

We have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India: *The Company is generally regular in complying with the standards except below.*
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and The Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015; **(not applicable during the period under review)**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. *except that the office of Women Director had remained vacant for more than the timeline prescribed under Section 149 of the Companies Act, 2013 before the office was filled on February 05, 2019.*

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven (7) days in advance except the few Board Meetings which were held on 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.

Majority decision is carried through while the dissenting members' views are captured, if any and recorded as part of the minutes.

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

**We further report** that during the audit period the Company in its 02<sup>nd</sup> Annual General Meeting held on September 28, 2018 withdrew the earlier members' resolution passed on December 18, 2017, for transfer of broking business and the commodity broking business to Edelweiss Broking Limited on a Slump Sale Basis.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner  
ACS No.: 32109  
C P No.: 16276**

**Date : 26/07/2019  
Place : New Delhi**

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



**“Annexure A”**

To,  
The Members,  
**RELIGARE BROKING LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner  
ACS No.: 32109  
C P No.: 16276**

**Date : 26/07/2019  
Place : New Delhi**



## FORM MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members,  
**Religare Finvest Limited**  
(U74999DL1995PLC064132)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Religare Finvest Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, 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, we hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; *(not applicable to the Company during the audit period)*
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(not applicable to the Company)*
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(not applicable to the Company during the audit period)*
  - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; *(not applicable to the Company)*
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(not applicable to the Company during the audit period)*;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable to the Company)*
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(not applicable to the Company during the audit period)*
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-



- The Reserve Bank of India Act, 1934 (RBI) to the extent it is applicable to NBFC;
- RBI Master Directions on NBFC-ND-SI, 2016;
- RBI Master Directions- KYC Directions, 2016; and
- RBI's Miscellaneous Instructions to NBFC-ND-SI.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:

*We noted that the Company is generally regular in complying with the standards except in few occasions.*

- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. *That the office of Managing Director, Chief Executive Officer or Whole Time Director was filled on August 17, 2018 and that of Chief Financial Officer was filled on March 28, 2019. In both the cases, the respective offices were remained vacant for more than six months which is not in accordance with the section 203 of the Companies Act, 2013.*
2. *That as per the Master Directions- Information Technology (IT) for the NBFC Sector, the Company has not complied with these directions by September 30, 2018 including constitution of IT Strategy Committee, IT/ Information System (IS) Policy and other policies, etc. However, the Board of Director in its meeting held on March 28, 2019 constituted the said committee.*
3. *That in terms of RBI Notification dated December 19, 2017 and relevant provisions of Insolvency and Bankruptcy Code (IBC), 2016, every financial creditor (incl. NBFCs) shall furnish the information on a debt to an Information Utility (IU). However, the Company has not furnished such information to any IU registered with the Insolvency and Bankruptcy Board of India (IBBI).*
4. *That as per the requirement prescribed under RBI Master Directions, 2016 (incl. amendments thereto), the capital adequacy ratio (CRAR) is below the minimum requirement of 15% as at the end of the period.*
5. *That the Company has not appointed any director as the designated director in terms of the provisions of Prevention of Money Laundering Act, 2002 read with RBI (Know your Client) Directions, 2016.*

**We further report that:**

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors and Non-Executive Directors except 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 Companies Act, 2013. The Company had filed the application with RBI in the month of April 2018 for seeking approval for the appointment of two non-executive directors and 1 whole-time director. RBI in December 2018 has not acceded to the request for appointment of directors.

Further, in the month of September 2018, an application for appointment of one more non-executive director was filed with RBI for approval. In the month of June 2019, proposed director has withdrawn his consent/nomination to become director and accordingly in the month of July 2019, RBI was informed and requested not to process the said application.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except that of few Board Meetings which were held on 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, as per the management representation letter.

**We further report that** the Company has filed a suit for recovery of amounts misappropriated by the Lakshmi Vilas Bank (LVB) placed as Fixed Deposits with it on May 31, 2018 before the Hon'ble Delhi High Court. On March 11, 2019 arguments were addressed at length. As informed to us, on the next date of hearing i.e. April 12, 2019, the said Court was pleased to reserve the order on the interim application and thereafter, RFL has filed an amendment application seeking amendment of plaint before





the Hon'ble High Court of Delhi on which notice has been issued for August 23, 2019. Apart from this existing suit for recovery, the Company has also filed a criminal complaint against LVB and other accused persons on May 15, 2019 before the Economic Offences Wing, Delhi which is under investigation.

**We further report that** the RBI has raised concerns about the credit worthiness of the borrowers, credit appraisals and loan sanctioning mechanism in the past years. As mentioned in the audited financial statements, based on the maturity dates of the loan provided, recovery steps instituted and the financial reports of the borrowers, the Company had on prudent basis made full provisions against the corporate loan book.

**We further report that** the SEBI has passed an ad-interim ex-parte order on October 17, 2018 ("Order") in relation to Fortis Healthcare Limited which interalia includes directions to the Company and other entities covered in the Order to repay ₹ 40,300 Lacs to Fortis Healthcare Ltd. and not to dispose of or alienate any of the assets or divert any funds except for payment of ₹ 40,300 Lacs and for meeting business operations without the prior permission of SEBI. The Company has represented to SEBI and in its letter denied all the preliminary findings recorded against the Company and further requested SEBI to vacate the directions in the said Order till conclusion of the investigation. However, SEBI vide its confirmatory order dated March 19, 2019 continued the debilitating restraints against the Company which were originally contained in the ex-parte order.

Further, the SEBI issued an order dated June 28, 2019, which modified the said directions, as contained in Para 17 of the confirmatory order as follows:

*"The Noticee no. 8 (viz. Religare Finvest Limited), pending completion of the investigation, shall not dispose of or alienate any of its assets or divert any funds, without the prior permission of SEBI, except for meeting expenses of day-to-day business operations and taking all measures as it deems fit for revival of RFL (including restructuring of its debts/loans, assignment of its financial assets to ARCs, raising of capital, borrowing etc.), subject to strict adherence to the terms of "Corrective Action Plan" and any other norms stipulated by the Reserve Bank of India and provisions of all other applicable laws."*

**We further report that** the SEBI has passed an ad-interim ex-parte order dated March 14, 2019 read with the corrigendum dated April 18, 2019 ("Order") in relation to Religare Enterprises Ltd. ('REL/Holding Company') which interalia includes initiation of steps to recall loans amounting to ₹2,31,509 Lacs extended directly or indirectly from the Company. The noticee entities have also been directed to not to dispose of or alienate any of the assets or divert any funds except for meeting business operations without the prior permission of SEBI. Further, the SEBI also directed the erstwhile promoters of REL (Shivinder Mohan Singh and Malvinder Mohan Singh) to not to associate themselves with the affairs of REL and the Company, in any manner whatsoever, till further directions.

**We further report that** during the audit period the company has following events.

- i. That the Company in its Annual General Meeting held on September 28, 2018 had passed the resolution under Section 180 (1) (c) of the Companies Act, 2013 to borrow money upto the sum of ₹55,000,000,000 (Rupees Fifty Five Hundred Crores Only) on a private placement basis, in one or more tranches by issuing Non – Convertible Redeemable Debentures (NCDs).
- ii. That the Company in its Extra-Ordinary General Meeting held on March 05, 2019 has passed the special resolution for approval of the RFL-Employee Stock Option Scheme 2019 for the employees of the Company, employees of the Holding Company/Subsidiary Companies and to grant them such number of options as the Board may decide, which would result in equity shares not exceeding 10% of the expanded share capital of the Company. Further, no options were granted during the financial year 2018-19.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner  
ACS No.: 32109  
C P No.: 16276**

**Date: August 06, 2019  
Place: New Delhi**

*This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.*



**“Annexure A”**

To,  
The Members,  
**RELIGARE FINVEST LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner  
ACS No.: 32109  
C P No.: 16276**

**Date: August 06, 2019  
Place: New Delhi**



**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in line with 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,

**Religare Housing Development Finance Corporation Limited**

(U74899DL1993PLC054259)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Religare Housing Development Finance Corporation Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, 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, we hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *(not applicable to the Company)*
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; *(not applicable to the Company)*
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(not applicable to the Company)*
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(not applicable to the Company)*
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(not applicable to the Company)*
  - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; *(not applicable to the Company)*
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(not applicable to the Company)*;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act; *(not applicable to the Company)*
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable to the Company)*
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(not applicable to the Company)*
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. *(not applicable to the Company)*



(vi) We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-

- The National Housing Bank Act, 1987;
- The Housing Finance Companies (NHB) Directions, 2010;
- Master Circular on Fair Practice Code for Housing Finance Companies;
- Master Circular- Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016;
- Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016; and
- Master Circular- Miscellaneous Instructions to all Housing Finance Companies.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s). *(not applicable to the Company)*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. *That the Company did not have the sufficient number of Independent Directors on its Board during the period from September 29, 2018 to March 07, 2019. However, the required number of Independent Directors had been appointed thereafter.*
2. *That the office of Company Secretary and Chief Financial Officer had been vacant for more than six months which is not in compliance with the provisions of Section 203 of the Companies Act, 2013 before the office was filled up on December 10, 2018*
3. *That the Company has not formulated any IT Policy and Information Security Policy in accordance with the Information Technology Framework for HFCs.*
4. *That the Company has complied with the NHB Master Directions, 2010 (incl. modifications and alterations from time to time) other than the requirement of maintaining Loan to Value Ratio (LTV Ratio) in six of the loan accounts.*
5. *That the Company has not appointed any director as the designated director in terms of the provisions of Prevention of Money Laundering Act, 2002.*

**We further report that:**

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors and Non-Executive Directors except independent directors as at the end of the period under review. 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 Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except that of few Board Meetings which were held on 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever occurred.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, as per the management representation letter.

**We further report that** during the audit period the company has following events:

- i. That the Company in its Extra-Ordinary General Meeting held on December 06, 2018 has under the provisions of the Section 180 (1) (a) of the Companies Act, 2013 accorded its approval to sell/assign/securitise loan receivables of the Company due from borrowers from time to time such that the aggregate amounts of such transactions to sell/ assign/securitise loan receivables shall not exceed ₹150,00,00,000 (Rupees One Hundred and Fifty Crores Only) in a financial year.



- ii. That the Company in its Extra-Ordinary General Meeting held on March 05, 2019 has passed the special resolution for approval of the RHDFCL-Employee Stock Option Scheme 2019 for the employees of the Company, employees of the Ultimate Holding Company/Holding Company/Subsidiary Companies and to grant them such number of options as the Board may decide, which would result in equity shares not exceeding 12.5% of the expanded share capital of the Company.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Ankit Singhi  
Partner  
ACS No.: 20642  
C P No.: 16274**

**Date: August 06, 2019**

**Place: New Delhi**

*This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.*

**“Annexure A”**

To,

The Members,

**RELIGARE HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Ankit Singhi  
Partner  
ACS No.: 20642  
C P No.: 16274**

**Date: August 06, 2019**

**Place: New Delhi**



## 1. Macroeconomic Developments & Industry Overview

### Macroeconomic Overview

Growth of the Indian Economy moderated in 2018-19 with a growth of 6.8%, slightly lower than 7.2% in 2017-18. Yet, India continued to remain the fastest growing major economy in the world. The Indian Economy started the fiscal year 2018-19 with a strong growth of 8.2% in the first quarter. Later, in the second quarter the growth eased back to 7.3% due to rising global volatility, mainly due to financial volatility.

After analyzing the growth pattern of the various quarters of 2018-19, it is clear that there has been a moderation in Real GDP of each quarter of 2018-19. The fourth quarter represented a growth of 5.8%, which came out to be the lowest of all the four quarters.

The Indian economy had to deal with uncontrollable challenges around the second-third quarter of the year. This was set off by a steep increase in the prices of the crude oil, which led to a major depreciation in Rupee along with other emerging market currencies.

"Agriculture and Allied" played a major role in the moderate growth of the Economy. The downtick of food prices persuaded the farmers to produce less. This majorly happened in the fourth quarter of the year 2018-19. The Agriculture and Allied sector declined by 0.3%, due to this there has been an overall fall in consumption over some sectors.

### **GROWTH IN REAL GDP AND GVA OF INDIA:**

|                        | FY2016      | FY2017      | FY2018      | FY2019      |
|------------------------|-------------|-------------|-------------|-------------|
| <b>Real GDP Growth</b> | <b>8.2%</b> | <b>7.1%</b> | <b>7.2%</b> | <b>6.8%</b> |
| <b>Real GVA Growth</b> | <b>8.1%</b> | <b>7.1%</b> | <b>6.9%</b> | <b>6.8%</b> |

Source: Government of India; Press Information Bureau (pib.in.nic)

Investment growth is recovering since 2017-18. Growth in fixed investment geared up from 8.3% in 2016-17 to 9.3% in the successive year and further to 10% in the year 2018-19. The Gross Fixed Capital Formation rate upgraded from 31.4% in 2018 to 32.3% in 2019.

Current Account Deficit (CAD) is manageable at 2.1% of GDP. The latest oil price fall bodes well for India, as it eases the pressure on CAD and provides a probable appreciation in the Indian Rupee. In absolute terms, the CAD stood at US\$4.6 Billion in the fourth quarter.

In the year 2018-19, we saw an improvement in the banking sector. The Banking System enhanced, as Non-Performing Accounts (NPA) ratios diminished, credit growth accelerated. As per RBI reports ₹ 50,000 Crores was received by banks from previously Non-Performing Accounts (NPA). The Benchmarking policy was first increased by 50 bps, but later it was cut down by 75 bps.

Inflation contained at 3.4% in 2018-19. The FY2018-19 ended with fiscal deficit at 3.4% of GDP and debt to GDP ratio of 44.5%. We saw a 0.4 percentage point fall in revenue expenditure and 0.1 percentage point rise in capital expenditure.

Growth in service exports and imports in US dollar terms declined to 5.5% and 6.7% respectively, in FY2018-19. Net Foreign Direct Investment inflows grew by 14.2% in 2018-19. FDI inflows have been growing at a high rate since the year 2015-16. The Foreign Exchange Reserves in numerical terms decreased by US\$ 11.6 Billion at end of March 2019 over end of March 2018.

Source: Government of India; Press Information Bureau (pib.in.nic)

### Industry Overview

The Non-Banking-Financial-Companies sector has been facing challenges regarding the liquidity front in the recent months. The RBI has interfered through different measures to solve these problems.

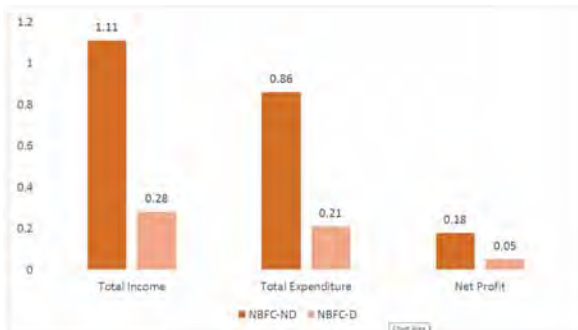
RBI classifies NBFCs on the basis of:

- Liability structure
- Type of activities undertaken
- Systematic importance



At an aggregate level, the number of NBFCs registered with RBI has fallen from 11,402 as at 31 March, 2019 to 10,190 as at 30 September, 2018. In recent times, NBFCs have outperformed Scheduled Commercial Banks (SCBs) on growth in advances, asset quality and profitability.

#### Comparison of Financial Performance between NBFC (Non-Deposits) and NBFC (Public Deposits) companies. (₹ Lakh Crores)

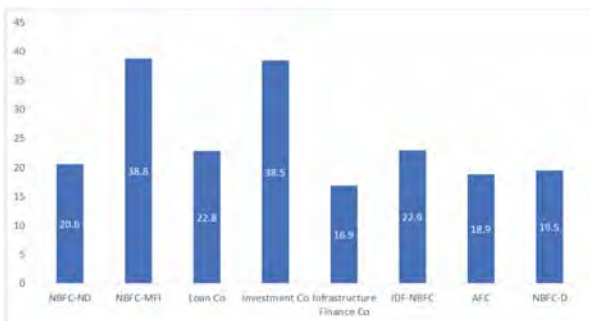


Source: RBI Trends and Progress of Banking in India, CARE Ratings

The above chart shows that the total income of the NBFC-ND companies aggregating to ₹ 1.11 Lakh Crores comprise around 80% of total income of NBFC sector.

The Total Balance Sheet size of the NBFC-ND comprehend 85.4% of the total balance sheet size of the NBFC sector with the balance 14.6% reckoned by NBFC-D.

#### CRAR for different categories of NBFC sector (%)



Source: RBI Trends and Progress of Banking in India, CARE Ratings

Capital Adequacy of the NBFC sector is measured using the capital to risk-weighted asset ratio (CRAR) and this has been introduced for all the categories of NBFCs for the date ended 30 September, 2018.

Infrastructure Finance Company and Loan Companies have the highest outstanding borrowings making a total of ₹ 12.09 Lakh Crores which is 76.9% of the total outstanding borrowing.

The Housing Finance Companies' (HFCs) share in lending to housing has jumped from 41% in FY2017 to 43.6% in FY2018. The lending of HFCs multiplied at almost twice the rate as compared to Scheduled Commercial Banks (SCBs).

Source: RBI Trends and Progress of Banking in India, CARE Ratings

## 2. Overview of our Business

### Religare Structure and Business Model

Religare Enterprises Limited (REL) is a Core Investment Company (CIC) registered with the Reserve Bank of India (RBI). It is a diversified financial services company with the businesses in - Lending, Health Insurance and Broking. REL's operating businesses are housed in subsidiaries and have independent management teams to conduct their day-to-day operations. REL has provided the operating companies with the requisite capital, governance structures, risk management mechanisms and oversight, and helped the operating businesses attain critical scale.





REL has a three-fold role to play in ensuring the success of the businesses:

1. **Allocating Capital** - a key factor in production for any enterprise, and indeed, the raw material for financial services businesses – to the operating businesses
2. **Determining Governance Structures and Risk Management & Control mechanisms** - such that there are checks and balances at every level and the businesses are safeguarded
3. **Undertaking Performance Management** - to ensure the capital invested is being deployed in a manner that furthers REL's ultimate objective

### **Capital Raise Efforts at Group and Subsidiary Level**

During the year FY18-19, your company has made sustained efforts to raise capital for growth and to repay liabilities.

REL obtained an in-principle approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 from National Stock Exchange of India and BSE Limited (the "Exchanges") to issue and allot 175,224,258 convertible warrants of ₹ 52.30 each exercisable into equal number of Equity Shares of ₹ 10 each of the Company on preferential basis.

Pursuant to shareholders' approval dated March 19, 2018, the Company issued and allotted 111,497,714 convertible warrants on preferential basis on April 19, 2018.

Out of these, 38,487,485 warrants were converted into equity shares during the year FY2018-19 and the balance 73,010,429 warrants (partly paid) are remaining for conversion as on date.

The Company utilized the funds received from the warrant holders, and from subsequent conversion to equity shares, to repay loans and liabilities, and to make investments in subsidiaries for solvency capital requirements.

The Company and its subsidiaries continue to make sustained efforts to raise primary capital for growth of underlying businesses.

### **Key Subsidiaries**

REL being a Core Investment Company, the businesses are operated out of various subsidiaries. The table below lists our key subsidiaries as at March 31, 2019, and their major areas of operation:

| Company  | Status                        | REL's Stake | Major Area(s) of Operation   |
|--|-------------------------------|-------------|--|
| <b>Lending</b>   |                               |             |  |
| Religare Finvest Limited (RFL)                                   | Subsidiary                    | 85.63%      | • SME Finance  |
| Religare Housing Development Finance Corporation Limited (RHDFC) | Subsidiary (held through RFL) | 74.93%      | • Affordable Housing Finance   |
| <b>Health Insurance</b>  |                               |             |  |
| Religare Health Insurance Company Limited (RHICL)                | Subsidiary                    | 89.66%      | • Health insurance and related products  |
| <b>Broking</b>   |                               |             |  |
| Religare Broking Limited (RBL)                                   | Subsidiary                    | 100%        | • Retail Equity Broking<br>• Retail Currency Broking<br>• Online Investment Portal<br>• Depository Services<br>• E-Governance Services |
| Religare Commodities Limited (RCL)                               | Subsidiary (held through RBL) | 100%        | • Retail Commodity Broking   |

Religare Comtrade Limited (RCTL)<sup>1</sup> has not been in active business since the mid of FY2017-18. During the year FY2018-19, RCTL has paid out its entire external liabilities. The REL and RCTL Boards have approved a Scheme of Amalgamation, where RCTL (along with another non-operational 100% REL subsidiary) is proposed to be merged into REL. The proposed merger is in execution stage, and will be filed with the NCLT in due course.

<sup>1</sup>REL holds 73.07% of RCTL, RCL (Religare Commodities Limited) holds 26.93% of RCTL. RCL in turn is 100% held by REL. The shareholding of RCTL is thus held 100% by REL (directly and indirectly).



### **Lending - SME**

Our lending business is operated by RFL and its 87.50%-owned subsidiary, RHDFC. RFL is registered with RBI as a non-deposit taking, systemically important Non-Banking Financial Company (NBFC-ND-SI). RFL is focused on providing debt capital to Small & Medium Enterprises (SMEs) to enable them to enhance their productive capacity and throughput. It is amongst the first NBFCs in India to focus on this segment, having started the business in 2008.

#### ***Offerings***

Given its focus on the SME sector, RFL's offerings have been tailor-made to suit the unique requirements of this sector and comprise:

**SME-Secured:** RFL's SME-Secured product enables its customers to obtain loans against their residential or commercial property. Loans offered under this product may be utilized towards different purposes including business expansion and purchase of plant and machinery.

**SME-Unsecured:** This product caters to working capital and other financial requirements of small and medium enterprises, self-employed businessmen and professionals. Loans are granted after an in-depth and detailed financial analysis and credit underwriting of the clients.

**Short Term Trade Finance:** This product empowers our customers to bridge their short term financial gaps. Our short term trade finance gives freedom to SMEs to avail financing against purchase payables.

#### ***Presence in SME clusters***

SME units tend to be concentrated in clusters in or around large cities to take advantage of the infrastructure and ancillary services that are available in such centers. Nearly 80% of the SME financing opportunity in India is concentrated in 25 such clusters and RFL has systematically built its branch network to cover all these locations – as at March 31, 2019, RFL's network comprised of 30 branches across 13 states and 1 union territory. In addition, RFL conducts business in clusters that are in proximity of those where it has a branch using the hub-and-spoke model and in this manner services markets where it does not have a branch presence. RFL has developed robust and comprehensive infrastructure to ensure that all critical processes – including credit assessment, risk management, collections and recoveries – are performed in-house and has made substantial investments towards building best-in-class infrastructure to support its business operations.

#### ***Operational Performance***

The company has a total book size of ₹ 7085 Crores out of which SME book constituted 64% and amounted to ₹ 4503 crores as at March 31, 2019 in accordance with Ind-AS. The GNPA for SME standard book stands at 28.3% as at March 31, 2019. This high number can be attributed to a declining book and no fresh disbursements for the year 2018-19. Also, this year RFL has made provisions on its entire Corporate Loan Book of ₹ 2037 Crores. RFL is not making any fresh disbursements as the company has been under the Corrective Action Plan ("CAP") by RBI vide its letter dated January 18, 2018 and has been prohibited from expansion of credit/investment portfolio other than investment in government securities. Hence during the year, the company focused its efforts on collections and recovery.

#### ***Balance Sheet and Credit Ratings***

Shareholders' funds in RFL as at March 31, 2019 (including retained earnings) amounted to ₹ 947 Crores and balance sheet size stood at ₹ 6961 Crore. Shareholders' funds take into account the significant provisions made towards non-performing assets during the year.

The following table lists the ratings on RFL's debt as at March 31, 2019:

| Instrument               | Rating by ICRA                           |
|--------------------------|--|
| Long Term Debt Programme | [ICRA] BB@; rating outstanding           |
| Bank Limits              | [ICRA] BB@[ICRA] A4@; rating outstanding |
| Instrument               | Rating by India Ratings                  |
| Lower Tier 2 sub-debt    | IND B+/RWN                               |
| Long-term bank loans     | IND B+/RWN                               |
| Commercial paper         | IND A4/RWN                               |
| Short-term bank loans    | IND A4/RWN                               |

*RWN = Rating Watch Negative*



The rating agencies have revised their ratings for RFL keeping in view the stretched liquidity profile, significantly reduced financial flexibility of the company owing to delay in equity infusion and challenges in raising of incremental funding. Further, there has not been any fresh business since FY2017 and there has been significant deterioration in the asset quality of RFL with the entire corporate book being classified as non-performing asset (NPA) and increased slippages in the SME book. Given the mismatch in the asset liabilities (ALM), RFL has proposed to implement a debt resolution plan with its lenders and the same was discussed at the Joint Lenders Meeting ("JLM") on March 7, 2019, where April 1, 2019 was decided to be the Reference Date for Holding On Operations. Capital raise discussions are also being undertaken by the management both at subsidiary and group level.

### **Lending – Affordable Housing**

Housing finance is India's most resilient sector and needs 5.2 Crore units and ₹10 Lakh Crores investment by year 2022. Religare's affordable housing finance arm RHDFC is thus a strategically placed company equipped to leverage this requirement. It is a registered HFC (Non-deposit taking) with a SARFAESI License. The company focuses on providing loans for acquisition, construction and repair of dwelling units in the affordable housing segment. RHDFC operates through 30 branches as at March 31, 2019 and has a diversified geographical presence across Delhi NCR, Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Tamil Nadu, Karnataka, Telangana and Andhra Pradesh. The company has remained profitable in each year of its operations since it became a part of the Religare group in year 2009.

RHDFC envisions itself to be a future ready company and hence it aims to maximize digitization in its processes and work towards enabling an efficient workforce. The company is increasingly using analytics and big data to better understand inventory, migration and pricing trends. The ability to assess the credit worthiness of potential borrowers is crucial for succeeding in this segment; robust credit assessment processes position RHDFC extremely well to capitalize on this opportunity. Customer centricity has also been a forefront vision of the company and company is following 'Closer to Customer' strategy to have a better outreach with the customers.

During FY18-19, RHDFC disbursed loans totaling ₹ 107 Crores and the total book size stands at ₹ 706 Crores as at March 31, 2019. Due to financial challenges at RFL and REL, its ultimate parent, the book size of RHDFC reduced as compared to the previous year. However, with the distribution reach intact and the scale of operations maintained, RHDFC is set to make a meaningful impact in its target segment.

As at March 31, 2019, RHDFC's Long Term and Short Term Bank Limits rating was '[ICRA] BBB-@' and '[ICRA] A3@' respectively with rating placed on watch with negative implications. The short term debt programme rating was '[ICRA] A3@ reaffirmed' with rating placed on watch with negative implications. This rating action followed the rating action on RHDFC's parent, RFL, wherein RFL's long-term ratings have been revised to [ICRA]BBB- from [ICRA]BBB and the short-term ratings have been reaffirmed at [ICRA]A3. India Ratings gave long term rating for RHDFC as IND BB- with rating watch maintained.

### **Health Insurance**

Indian health insurance market is a growing market and registered a market size of ₹ 50,891 Crores in FY 18-19, up by 18.3% from last year. Out of all health insurance service providers in India, that is Public Sector Institutions, Private Institutions and Stand-alone insurers, Public Sector institutions have the lion's share having 53% of the market share and Private and Stand-alone insurers stand at par with each other with respect to market share. Though in terms of retail policies, Stand Alone Health Insurance Companies (SAHI) have the biggest share of 44%. Our company 'Religare Health Insurance Company Limited' (RHICL) is a SAHI and ranks number 6 overall and number 3 in GDP. It registered a Gross Written Premium of ₹ 1843 Crores during the Financial Year 2018-19, a growth of 65% over the previous financial year and reported PBT of ₹ 57 Crores. RHICL commenced business in 2012 and currently has three major shareholders – Religare Enterprises Limited, Union Bank of India and Corporation Bank. It is servicing over 700 locations across the country with a network of 110 plus branches and 9,450 plus hospitals. It has a product bouquet of 18 products encompassing group, travel, fixed benefit and indemnity categories to serve varied customer needs. The Company has a differentiated service offering w.r.t business from corporate like wellness programs & preventive health check-up thereby helping in negotiating higher premiums & improves customer stickiness. It follows a multi-channel distribution strategy through agency, brokers, corporate agents, online and bancassurance and its major focus is on retail and SME customers.

It boasts of an experienced management team with an average vintage of 6 plus years. Company has also made deep investments in technology for comprehensive risk management & digital enablement of all transactions and stakeholders. The company is highly customer centric with a low grievance rate of two complaints per 10,000 policies and has a claim settlement ratio of 93%. The combined ratio of the company stands at 97%. RHICL has also won various awards like – 'Best Claims Service Provider Of The Year', 'Bancassurance Leader of the Year 2018' by Insurance India Summit & Awards 2018, 'India's Most Preferred Travel Insurance' by IMP Travel Brand Awards 2018, etc.



## **Retail Broking**

Religare Broking Limited (RBL) along with its subsidiary Religare Commodities Limited (RCL) operates Religare's Retail Broking business and provides trading capabilities across all product segments – cash equities, equity derivatives, currency derivatives and mutual funds – on all major stock and commodities exchanges in India. RBL has more than 1000 points of presence spanning 400 plus towns and cities across the length and breadth of India, that service more than 1 million unique customers. RBL's distribution strategy entails a judicious combination of its own branches and a strong network of sub-brokers and franchisees that help extend RBL's presence and make the Religare brand visible in the far corners of India.

The Retail Broking business facilitates trading and investment in equities and equity derivatives, currencies and commodities for its clients.

**Retail Equity Broking:** The retail equity broking business is operated by RBL (a wholly owned subsidiary of the company Religare Enterprises Limited). Company is a member of the National Stock Exchange of India Limited (NSE), BSE Limited (BSE, formerly the Bombay Stock Exchange) and Metropolitan Stock Exchange of India Limited (MSEI, formerly MCX Stock Exchange Limited) in cash equities, futures & options and currency derivatives segments. In addition, Religare Securities Limited (RSL) was a Depository Participant with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which facilitates smooth settlement of clients' delivery-based transactions.

**Retail Currency Broking:** Trading in currency futures and options allows clients to hedge the capital and trading exposures they may have in currencies other than the Indian rupee. These products are offered by RBL as a member of the currency segment on NSE, BSE and MSEI. Currently, the exchanges permit futures trading in four currency pairs, viz. US dollar-Indian rupee, Euro-Indian rupee, Pound Sterling-Indian rupee and Japanese yen-Indian rupee, and options trading in the US dollar-Indian rupee pair.

**Retail Commodity Broking:** RCL, a wholly owned subsidiary of RBL, is a member of the two major electronic commodities futures exchanges in India, viz., Multi-Commodity Exchange of India Limited (MCX) and the National Commodities & Derivatives Exchange Limited (NCDEX). Exchange-based trading of futures in various agricultural products, bullion, metals and oil & gas provides producers, end-users and intermediaries who are exposed to price risks in these commodities, a platform for locking-in future prices and thereby hedging their exposures. Furthermore, commodities have emerged as an alternative investment avenue to investors looking for diversification of their investments. RCL has established a presence in various agricultural markets ('mandis') and centers where physical trading in other commodities takes place in addition to financial centers where investors are concentrated to facilitate hedging of price risks and to provide a convenient means of investing in an emerging asset class.

**Ancillary Services:** RBL is also a TIN (Tax Information Network) and PAN (Income Tax Permanent Account Number) facilitation partner of NSDL and offers services relating to PAN, TAN (Tax Deduction and Collection Account Number), and filing of TDS/TCS (Tax Deduction at Source/Tax Collection at Source) returns at select branches, to help its customers fulfill their major financial services needs under a single roof. RBL is also empaneled with E-mudra as Registering Authority/ Agent for issuance of Digital Signature Certificate and is an AMFI registered mutual fund distributor. RBL is also registered as Point of Presence (POP) with Pension Fund Regulatory Development Authority ('PFRDA') under PFRDA Point of Presence Regulations, 2015 and with Insurance Regulation & Development Authority as a composite corporate agent to distribute insurance products.

## ***Operational Performance***

FY2018-19 was a strong year for the equity market as trading volumes increased each quarter and average daily turnover for FY2019 was ₹ 10.69 Lakh Crores. The share of the lower yielding Futures & Options segment with the overall market turnover was at 97% from 95% during the earlier year and the share of the better yielding cash equities segment was 3% with adverse implications continuing for blended yields. RBL's total traded volume was ₹ 8.71 Lakh Crores in FY19 compared to ₹ 10.03 Lakh Crores in FY18.

During the financial year ended March 31, 2019, RBL has entered into partnership with "Future Generali Life Insurance" for selling Life Insurance. During the year RBL has also entered into partnership with ICICI Lombard for conducting general insurance business and My Money Mantra to conduct loans and mortgage business.

During the financial year ended March 31, 2019, RBL's credit ratings were stable. Short term rating for RBL's commercial paper programme was same as earlier year which is ₹ 400 Crores and short term bank lines (for an amount of ₹ 600 Crores) are rated '[ICRA] A3' and are on watch with developing implications.



### 3. Review of Financial Performance

The highlights of standalone and consolidated financial results of the Company for the Financial Years 2018-19 and 2017-18 are as under:

(₹ in Lakhs)

| Particulars  | For the financial year ended<br>2018-2019 |                           | For the financial year ended<br>2017-2018 |                           |
|--|---|---------------------------|---|---------------------------|
|  | Standalone<br>(Audited)                   | Consolidated<br>(Audited) | Standalone<br>(Audited)                   | Consolidated<br>(Audited) |
| Total Income   | 3,516.57                                  | 240,171.81                | 7,189.44                                  | 273,541.77                |
| Total Expenditure  | 18,127.79                                 | 390,516.06                | 40,529.30                                 | 414,261.67                |
| <b>Profit before Tax</b>   | <b>(14,611.22)</b>                        | <b>(150,344.25)</b>       | <b>(33,339.86)</b>                        | <b>(140,719.90)</b>       |
| Exceptional Items  | -   | (8.96)                    | -   | (22.98)                   |
| <b>Profit / (Loss) before Tax after<br/>exceptional items</b>                          | <b>(14,611.22)</b>                        | <b>(150,353.21)</b>       | <b>(33,339.86)</b>                        | <b>(140,742.88)</b>       |
| Provision for Tax  | -   | (258.16)                  | (714.70)                                  | (22691.81)                |
| <b>Profit / (loss) After Tax</b>   | <b>(14,611.22)</b>                        | <b>(150,095.05)</b>       | <b>(32,625.16)</b>                        | <b>(118,051.07)</b>       |
| <b>Other comprehensive income</b>  | <b>16.19</b>                              | <b>395.34</b>             | <b>(10.87)</b>                            | <b>(409.82)</b>           |
| <b>Total Comprehensive Income for the<br/>period</b>                                   | <b>(14,595.03)</b>                        | <b>(149,699.71)</b>       | <b>(32,636.03)</b>                        | <b>(118,460.89)</b>       |
| Less: Share of Non- Controlling Interest   | -   | (21,347.86)               | -   | (13,596.11)               |
| <b>Total Comprehensive Income/ (Loss)<br/>(after tax and non-controlling interest)</b> | <b>(14,595.03)</b>                        | <b>(128,351.85)</b>       | <b>(32,636.03)</b>                        | <b>(104,864.78)</b>       |

**Note:** This based on the consolidated financial statements that have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015. These financial statements for the year ended March 31, 2019 are the Company's first financial statement prepared in accordance with Ind AS. As stipulated last year's financials were also prepared in accordance with Ind AS. In last Directors' Report year ended March 31, 2018 were prepared and reported in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

#### Consolidated Results

We recorded a 'Loss After Exceptional Items and Before Tax' of ₹ 1,50,353.22 Lakhs, for Financial Year 2018-19 as compared to 'Loss After Exceptional Items and Before Tax' of ₹ 1,40,742.88 Lakhs, for Financial Year 2017-18. 'Loss After Tax and Share in Joint Venture' was ₹ 1,50,095.06 Lakhs for Financial Year 2018-19 as compared to 'Loss After Tax and Share in Joint Venture' of ₹ 1,18,051.07 Lakhs for Financial Year 2017-18.

Total Comprehensive Income attributable to the Owner of the Company for the Financial Year 2018-19 is ₹ (1,28,351.86) Lakhs as compared to ₹ (1,04,864.78) Lakhs in Financial Year 2017-18. Basic earnings per share decreased to ₹ (63.32) in Financial Year 2018-19 from ₹ (58.56) in Financial Year 2017-18. One of the major causes the Company has incurred losses on consolidated basis is provision of ₹ 1,092.58 Crores in Financial Year 2018-19 and ₹ 1,025.17 Crores in Financial Year 2017-18 made against corporate loans given by Religare Finvest Limited, a subsidiary of the Company.

#### Standalone Results

We recorded a 'Loss After Exceptional Items and Before Tax' of ₹ (14,611.22) Lakhs, for Financial Year 2018-19 as compared to 'Loss After Exceptional Items and Before Tax' of ₹ (33,339.86) Lakhs, for Financial Year 2017-18. 'Loss After Tax' was ₹ (14,611.22) Lakhs for Financial Year 2018-19 as compared to 'Loss After Tax' of ₹ (32,625.16) Lakhs for Financial Year 2017-18. 'Loss before Exceptional Items' was ₹ (14,611.22) Lakhs for Financial Year 2018-19 as compared to 'Loss before Exceptional Items' of ₹ (33,339.86) Lakhs for Financial Year 2017-18. Reported basic earnings per share increased to ₹ (6.93) in Financial Year 2018-19 from ₹ (18.28) in Financial Year 2017-18.





### Segment-wise Performance

Our income from operations is comprised of income from lending activities, income from insurance premium, income from broking operations, interest income from fixed deposits with banks, income from non-current investments, income from current investments, interest income from delayed payments, profit on assignment of loans, income from advisory services, investment management and advisory fees and income from arbitrage and trading of securities and derivatives.

A comparison of the income from our operations in FY 2018-19 and in FY 2017-18 is tabulated below:

| Particulars   | As per Ind AS           |                      |                         |                      |
|---|-------------------------|----------------------|-------------------------|----------------------|
|   | FY2018-19               |                      | FY2017-18               |                      |
|   | Amount<br>(₹ In Crores) | % of Total<br>income | Amount<br>(₹ In Crores) | % of Total<br>income |
| Income From Lending Activities  | 788.35                  | 32.82%               | 1,347.27                | 49.25%               |
| Interest Income on Fixed Deposits with Banks                          | 24.03                   | 1.00%                | 30.74                   | 1.12%                |
| Interest Income on Delayed Payments / Charges for Delayed Payments    | 30.88                   | 1.29%                | 53.69                   | 1.96%                |
| Income from Investments   | 92.44                   | 3.85%                | 45.82                   | 1.68%                |
| Commission Income   | 59.43                   | 2.47%                | 101.65                  | 3.72%                |
| Income From Broking Operations  | 195.18                  | 8.13%                | 244.48                  | 8.94%                |
| Income From Investment Management and Advisory Fees                   | -                       | 0.00%                | 2.55                    | 0.09%                |
| Income From Advisory Services   | 1.05                    | 0.04%                | 2.67                    | 0.10%                |
| Income From Insurance Premium (Net of Premium on re-insurance ceded)  | 1,090.10                | 45.39%               | 678.42                  | 24.80%               |
| Income From Arbitrage and Trading of Securities and Derivatives (Net) | -                       | 0.00%                | 0.54                    | 0.02%                |
| Other Income  | 5.45                    | 0.23%                | 16.63                   | 0.61%                |
| Profit on Sale of Bullion and Art Works                               | -                       | 0.00%                | -                       | 0.00%                |
| Profit on Assignment of Loans   | -                       | 0.00%                | -                       | 0.00%                |
| <b>Total Revenue From Operations</b>                                  | <b>2,286.91</b>         | <b>95.22%</b>        | <b>2,524.47</b>         | <b>92.29%</b>        |
| Other Income  | 114.80                  | 4.78%                | 210.95                  | 7.71%                |
| <b>Total Income</b>   | <b>2,401.72</b>         | <b>100.00%</b>       | <b>2,735.42</b>         | <b>100.00%</b>       |

### Income from Lending Activities

Our subsidiary RFL, being an NBFC, offers lending products. The core line of business is SME lending, both secured and unsecured. The lending franchise is present across India, with 30 branches covering the SME clusters. The management team brings practical expertise in SME credit. However, due to RBI putting the company on a Corrective Action Plan (CAP), the company has not been able to disburse any fresh loans during the year. The management team and the Board are making efforts to bring in capital and restart the business.

Below is a comparison of the constituents of income from financing activity:

| Particulars   | FY2018-19<br>Amount<br>(In ₹ Crores) | FY2017-18<br>Amount<br>(In ₹ Crores) |
|---------------|--------------------------------------|--------------------------------------|
| SME Financing | 641.49                               | 1,157.01                             |
| CMF           | 27.93                                | 25.26                                |
| CLB           | (6.42)                               | 44.06                                |
| Others        | 0.05                                 | 0.06                                 |
| <b>Total</b>  | <b>663.05</b>                        | <b>1,226.39</b>                      |





**SME:** Interest Income from SME portfolio decreased by 45% to ₹ 641.49 Crores for FY 2018-19 as compared to ₹ 1157.01 Crores for FY 2017-18 mainly due to decrease in Average Book Size. Total Book size (net of repayments & assignments) as at March 31, 2019 was ₹ 4503 Crores as compared to ₹ 6998 Crores as at March 31, 2018.

**Capital Market Financing:** Interest income from our capital market financing activities was ₹ 27.93 Crores for FY 2018-19 as compared to ₹ 25.26 Crores for FY 2017-18 primarily due to recovery from non-performing loans.

**CLB:** Interest income from our CLB was ₹ (6.42) Crores for FY 2018-19 as compared to ₹ 44.06 Crores for FY 2017-18 primarily due to reversal of Interest income due to loans becoming non-performing.

**Others:** 'Others' represents the interest income earned from Staff Loan. Interest income from 'Others' was ₹ 0.05 Crore for FY 2018-19 as compared to ₹ 0.06 Crore for FY 2017-18.

### **Income from Insurance Premium**

Gross Written Premium of Insurance Business was ₹ 1843 Crores for FY2018-19 as compared to ₹ 1111 Crores for FY 2017-18. RHICL's Net Earned Premium increased by 60.4% to ₹ 1091 Crores for FY2018-19 as compared to ₹ 680 Crores for FY2017-18 primarily on account of increase in scale of operations.

### **Broking Related Operations**

Our brokerage business receives commissions for equities, derivatives and commodities traded on the exchanges on behalf of clients; earns fees from distribution of third party products such as mutual funds and insurance; generates income from depository operations; and recovers transaction fees from clients.

The income arising out of our broking activities was ₹ 195.18 Crores for FY2018-19 constituting 8.13% of our total income as compared to ₹ 267.19 Crores for FY2017-18, constituting 9.91% of our total income. Tabulated below are the details of constituents of our broking income:

| Particulars                               | FY 2018-19           |                      | FY2017-18            |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Amount<br>(₹ Crores) | % of Total<br>Income | Amount<br>(₹ Crores) | % of Total<br>Income |
| Equities & Currencies                     | 136.17               | 5.67%                | 175.05               | 6.50                 |
| Others                                    | 7.99                 | 0.33%                | 34.54                | 1.28                 |
| Recovery of Transaction Fees from Clients | 26.05                | 1.08%                | 31.36                | 1.16                 |
| Commodities                               | 15.89                | 0.66%                | 15.62                | 0.58                 |
| Income from Depository Operations         | 9.09                 | 0.38%                | 10.61                | 0.39                 |
| <b>Total</b>                              | <b>195.18</b>        | <b>8.13%</b>         | <b>267.19</b>        | <b>9.91</b>          |

**Equities & Currencies:** Our income from equity & currency broking operations decreased by 22.2% to ₹ 136.17 Crores for FY2018-19 from ₹ 175.05 Crores for FY2017-18 primarily due to a 21.2% decrease in retail average daily turnover.

**Commodities:** The revenue from our commodities broking activities increased from ₹ 15.62 Crores for FY2017-18 to ₹ 15.89 Crores for FY2018-19 primarily due to an 8.8% increase in average daily volume of trades executed on the exchanges.

### **Other Income**

Other income primarily includes balances written back/bad debts and loans written off recovered, profit on sale/redemption of Investments, interest income on loans and fixed deposits with banks, etc. Our other income decreased to ₹ 114.8 Crores during FY2018-19 constituting 4.78% of our total income for such period as compared to ₹ 210.95 Crores for FY2017-18 constituting 7.71% of our total income for such period. Below is a comparison of the components of our Other Income during FY2018-19 with that in FY2017-18:

| Particulars (₹ in Lakhs)  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Balances Written Back / Bad Debts and Loans Written off Recovered | 2,426.72                             | 5,630.09                             |
| Income From Support Services                                      | 513.68                               | 211.04                               |



| Particulars (₹ in Lakhs)   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Interest Income From Fixed Deposits With Banks                     | 2,001.00                             | 5,114.34                             |
| Net Gain/(Loss) on De-recognition of Property, Plant and Equipment | 49.55                                | 34.40                                |
| Profit On Sale Of Flats Under Construction Held For Sale (Net)     | 1.35                                 | 166.29                               |
| Profit on Sale/Redemption of Investments (Net)                     | 3,978.33                             | 4,283.87                             |
| Interest Income From Investments                                   | 211.45                               | 3,693.69                             |
| Interest Income on Others  | 1,695.37                             | 1,540.79                             |
| Miscellaneous Income   | 602.98                               | 420.54                               |
| <b>Total</b>   | <b>11,480.43</b>                     | <b>21,095.05</b>                     |

#### Key Ratios

| ₹ Crores                                | FY2018-19  | FY2017-18  |
|---|------------|------------|
| Total Income                            | 2,401.72   | 2,735.42   |
| EBITDA                                  | (627.82)   | (109.54)   |
| Margin %                                | (0.26)     | (0.04)     |
| Profit Before Exceptional Items and Tax | (1,503.53) | (1,407.43) |
| Margin %                                | (0.63)     | (0.51)     |
| PAT                                     | (1,500.95) | (1,180.51) |
| Margin %                                | (0.62)     | (0.43)     |

#### 4. Human Resources – Contribution to Business Success

The Human Resource function has been a strategic enabler for the business and is committed to promote an open and meritorious culture in the Company. Our management and employees are strongly aligned towards building an enabling eco-system to restore and strengthen profitability and ensure business growth across the Group. We consider our employees as our vital and most valuable assets. During the year, we have seen a lot of tangible and positive developments that have attracted fresh talent at all levels. As at March 31, 2019, we had a team of 11,034 dedicated professionals across our operating subsidiaries.

The organization has been strongly invested in maintaining constant channels of employee communication to develop a strong culture of transparency. Our continued belief in people being key differentiators has guided our functional initiatives towards leveraging potential of employees to take additional responsibilities and help the organization achieve its business goals. The initiatives were spread across areas of talent management, employee reward and recognition and employee engagement. The Company is dedicated to offering its employees favorable work environment and opportunities to navigate through the current period and also influence its future course of direction as planned. In order to boost the employee morale, the organization has recognized the commitment, loyalty and contribution of its internal stakeholders through its robust performance management system facilitated through the online Human Resource management system.

Business and Human Resource leadership team has significantly contributed towards business objectives and ensured adherence to established human resource processes and policies, maintaining transparent and credible communication channels with employees at all levels and further reinforcing and celebrating our culture.



In compliance with Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company submits the Corporate Governance Report for the year ended March 31, 2019:

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to ensure that all stakeholders' interests are protected by continuously striving to increase the efficiency of the operations as well as the systems and processes for use of corporate resources. The Company aims at achieving not only the highest possible standards of legal and regulatory compliances, but also of effective management.

While working to enhance the corporate value of the group in the medium to long term, we place the highest importance on strengthening and further developing your Company's corporate governance initiatives. The corporate structure, business and disclosure practices have been aligned to Corporate Governance Philosophy, transparency, accountability, fairness and intensive communication with stakeholders which are integral to your company's functioning. We believe in performance oriented systems. We accord highest priority to these systems and protect the interests of all shareholders, particularly the minority shareholders.

The Board of Directors (the "Board"), guided by above philosophy, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large. Your Company's Corporate Governance framework ensures that we make the timely disclosures and share correct information regarding our financials and performance as well as business of the Company.

Your Company has complied with the requirements of Corporate Governance as laid down under Chapter IV of the SEBI Listing Regulations except as mentioned in the Report.

## 2. BOARD OF DIRECTORS

### A. BOARD'S COMPOSITION AND CATEGORY

The Board comprises of eminent persons with high credentials of considerable professional experience and expertise in diverse fields who effectively contribute to the Company's growth and policy making decisions. The composition of Board of Directors of the Company is in conformity with the requirements of Regulation 17 of SEBI Listing Regulations as well as provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and all other applicable laws and in accordance with best practices except as explained herein below. The category wise composition of Board of Directors under Regulation 17 of SEBI Listing Regulations as on March 31, 2019 is as under:

| S. No.       | Category   | No. of Directors |
|--------------|--|------------------|
| 1            | Executive Director   | NIL              |
| 2            | Non-Executive, Independent Director ( including Woman Director)* | 5                |
| 3            | Other Non- Executive Director (including Nominee Director)*      | Nil              |
| <b>Total</b> |  | <b>5</b>         |

\*None of the Non-Executive Directors are responsible for the day to day affairs of the Company.

**Note:** Mr. Krishnan Subramanian was appointed as an Executive Director and designated as Director –Finance on January 24, 2018. However, Mr. Subramanian ceased to be Director – Finance w.e.f. March 11, 2019 on receipt of approval of the Reserve Bank of India ("RBI") for his resignation. Pursuant to the above cessation on March 11, 2019 there were only 5 Independent Directors remaining on the Board of the Company as on March 31, 2019. Further, post March 31, 2019, Mr. Siddharth Dinesh Mehta was appointed as Non-Executive Non-Independent Director on the Board of the Company w.e.f. July 30, 2019 upon receipt of approval of the RBI thereby making the total composition of the Board to 6 Directors.



The details relating to composition, category of Directors, directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies, as on March 31, 2019 are as follows:

| S. No. | Name of the Director                        | DIN      | Category of Directors                  | No. of Directorships held in other Companies (other than in Religare Enterprises Limited) | No. of Memberships/ Chairperson in various other Board Committees (other than Religare Enterprises Limited) |             | Directorship in other listed entity & Category of Directorship  |
|--------|---|----------|--|---|---|-------------|---|
|        |   |          |  |   | Member  | Chairperson |   |
| 1      | Dr. Rashmi Saluja <sup>1</sup>              | 01715298 | Independent, Non-Executive Chairperson | 3   | 2   | 1           | Nil   |
| 2      | Mr. Malay Kumar Sinha <sup>2</sup>          | 08140223 | Independent, Non-Executive             | 3   | 4   | Nil         | Nil   |
| 3      | Mr. Sushil Chandra Tripathi <sup>3</sup>    | 00941922 | Independent, Non-Executive             | 8   | 5   | 4           | 1. Motherson Sumi System Limited ( <i>Independent, Non-Executive Director</i> );<br>2. Reliance Nippon Life Asset Management Limited ( <i>Independent, Non-Executive Director</i> );<br>3. Ginni Filaments Limited ( <i>Independent, Non-Executive Director</i> );<br>4. Samvardhana Motherson Polymers Limited ( <i>Independent, Non-Executive Director</i> );<br>5. Gammon Infrastructure Projects Limited ( <i>Independent, Non-Executive Director</i> ) |
| 4      | Ms. Vijayalakshmi Rajaram Iyer <sup>4</sup> | 05242960 | Independent, Non-Executive             | 9   | 4   | 4           | 1. Magma Fincorp Limited ( <i>Independent, Non-Executive Director</i> );<br>2. Arihant Superstructure Limited ( <i>Independent, Non-Executive Director</i> );<br>3. Aditya Birla Capital Limited ( <i>Independent, Non-Executive Director</i> );<br>4. ICICI Securities Limited ( <i>Independent, Non-Executive Director</i> );<br>5. Indiabulls Ventures Limited ( <i>Independent, Non-Executive Director</i> )  |
| 5      | Ms. Sabina Vaisoha                          | 00207306 | Independent, Non-Executive             | 4   | 3   | Nil         | Nil   |

<sup>1</sup>Appointed as Non-Executive Independent Director on December 20, 2018; further Dr. Rashmi Saluja was appointed as Non-Executive Independent Chairperson of the Company w.e.f. June 19, 2019;

<sup>2</sup>Appointed as Non-Executive Independent Director on May 28, 2018;

<sup>3</sup>Appointed as Non-Executive Independent Director on August 01, 2018;

<sup>4</sup>Appointed as Non-Executive Independent Director on May 08, 2018.



Below are the details of resignation of Non-Executive Independent Directors from the Board of the Company during the financial year 2018-19 who have resigned before the expiry of their tenure.

| S. No. | Name of the Director        | Date of Cessation of Directorship | Reason for Cessation   |
|--------|-----------------------------|-----------------------------------|--|
| 1      | Mr. Deepak Ramchand Sabnani | May 18, 2018                      | Tendered resignation due to other pre-occupations and commitments.   |
| 2      | Mr. Padam Narain Bahl       | June 04, 2018                     | Tendered resignation due to his professional & personal commitments and that he shall not be in a position to devote enough time to the matters of the Company.  |
| 3      | Mr. Rama Krishna Shetty     | June 30, 2018                     | Tendered resignation due to personal reasons.  |
| 4      | Mr. Vikram Talwar           | September 20, 2018                | Did not give his consent to be nominated as Director at the end of his term at the Annual General Meeting ("AGM"). Accordingly he ceased to be Non-Executive Independent Director due to end of term at the AGM held on September 20, 2018.                            |
| 5      | Mr. Ashok Mehta             | April 17, 2018                    | Stepped down since he subscribed convertible warrants of the Company on preferential basis which would have entitled him holding 2% of equity share capital of the Company on diluted basis upon conversion of warrants into equity shares over a period of 18 months. |

*Other than the abovementioned reasons for cessation, none of the Directors have disclosed any other material reason for their resignation.*

#### Notes:

- I. The Independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of the SEBI Listing Regulations & Section 149 (6) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under the Regulation 16(1)(b) of the SEBI Listing Regulations. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.
- II. None of the Directors of the Company holds directorship in more than 20 companies. This includes alternate directorship but does not include the directorships held in Foreign Companies, dormant companies and companies under Section 8 of the Act. Further, none of the Directors hold directorship in more than 10 public companies.
- III. None of the Directors of the Company is holding position of Director in more than eight listed companies.
- IV. None of the Directors of the Board is holding position of Independent Director in more than seven listed companies.
- V. None of the Directors on the Board is a Member of more than 10 Committees or Chairperson of more than 5 Committees (as specified in Regulation 26 of the SEBI Listing Regulations) across all the public limited companies in which the person is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2019 have been made by the Directors. The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies.
- VI. All the Directors in their individual capacity have confirmed that they are not debarred or disqualified by SEBI/Ministry of Corporate Affairs or any other statutory authority to continue as Director of the Company. The Company has also obtained a certificate from a Company Secretary, in Whole Time Practice in this regard.
- VII. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- VIII. The Board of Director periodically reviews the compliance report of all the laws applicable to the Company.
- IX. As required under Regulation 17 of SEBI Listing Regulations and second proviso to Section 149(1) of the Act, Ms. Sabina Vaisoha, Ms. Vijayalakshmi Rajaram Iyer & Dr. Rashmi Saluja are the Woman Independent Directors on the Board of the Company.
- X. None of the Directors on the Company has attained the age of seventy five years as on March 31, 2019.
- XI. There are no inter-se relationships between our Board members.



## B. BOARD MEETINGS & ATTENDANCE

Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting except in cases where meetings are held on shorter notice period. Each agenda item is provided with sufficient background and all material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Video conferencing or other audio visual facilities are used to facilitate Directors residing abroad or who are not able to attend meetings physically in India and present at other locations, to participate in the meetings. In case of exigencies or urgencies, resolutions are considered by circulation as well.

The Board is given presentations covering the Company's major business segments and their operations, overview of business operations of major subsidiary companies, business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/ annual financial results.

New directors to be inducted are identified by Nomination and Remuneration Committee and are updated by senior management regarding the Company's business and operations, governing documents, detailed business strategy for various businesses, information on key personnel, and financial information through personal orientation in separate meetings.

During the financial year 2018-19, **Ten (10)** Board meetings were held: May 16, 2018, May 30, 2018, August 01, 2018, August 07, 2018, September 06, 2018, November 20, 2018, January 23, 2019, February 12, 2019, February 16, 2019 and March 28, 2019. Time gap between two consecutive board meetings was not more than 120 days. Notices of the Board meeting are generally given at least 7 days before the meeting except few meetings which were held at shorter notice period.

The last Annual General Meeting of the Company was held on September 20, 2018.

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2018-19 are as under:

| S. No. | Name of Director                            | No. of Board meetings attended | Whether attended last AGM |
|--------|---|--------------------------------|---------------------------|
| 1.     | Dr. Rashmi Saluja <sup>1</sup>              | 4/4                            | NA                        |
| 2.     | Mr. Malay Kumar Sinha <sup>2</sup>          | 8/9                            | Yes                       |
| 3.     | Mr. Sushil Chandra Tripathi <sup>3</sup>    | 7/7                            | No                        |
| 4.     | Ms. Vijayalakshmi Rajaram Iyer <sup>4</sup> | 8/10                           | Yes                       |
| 5.     | Ms. Sabina Vaisoha                          | 10/10                          | Yes                       |
| 6.     | Mr. Deepak Ramchand Sabnani <sup>5</sup>    | 1/1                            | NA                        |
| 7.     | Mr. Padam Narain Bahl <sup>6</sup>          | 1/ 2                           | NA                        |
| 8.     | Mr. Rama Krishna Shetty <sup>7</sup>        | 2/2                            | NA                        |
| 9.     | Mr. Vikram Talwar <sup>8</sup>              | 5/5                            | NA                        |
| 10.    | Mr. Krishnan Subramanian <sup>9</sup>       | 5/9                            | Yes                       |
| 11.    | Mr. P. Vijaya Bhaskar <sup>10</sup>         | 0/0                            | NA                        |
| 12.    | Mr. Ashok Mehta <sup>11</sup>               | 0/0                            | NA                        |

<sup>1</sup>Appointed as Non-Executive Independent Director on December 20, 2018; further Dr. Rashmi Saluja was appointed as Non-Executive Independent Chairperson of the Company w.e.f. June 19, 2019;

<sup>2</sup>Appointed as Non-Executive Independent Director on May 28, 2018;

<sup>3</sup>Appointed as Non-Executive Independent Director on August 01, 2018;

<sup>4</sup>Appointed as Non-Executive Independent Director on May 08, 2018;

<sup>5</sup>Resigned as Non-Executive Independent Director w.e.f. May 18, 2018;



<sup>6</sup>Resigned as Non-Executive Independent Director w.e.f. June 04, 2018;

<sup>7</sup>Resigned as Non-Executive Independent Director w.e.f. June 30, 2018;

<sup>8</sup>Ceased to be Non-Executive Independent Director due to end of term at the Annual General Meeting held on September 20, 2018;

<sup>9</sup>Ceased to be Executive Director in capacity of Director-Finance w.e.f. March 11, 2019 upon receipt of RBI approval for his resignation;

<sup>10</sup>Ceased to be Non-Executive Independent Director w.e.f. May 04, 2018 due to demise;

<sup>11</sup>Resigned as Non-Executive Independent Director w.e.f. April 17, 2018.

#### **Skills/Expertise/Competence of the Board of Directors:**

The table below summarizes the skill/expertise/competencies identified by the Board for effective functioning of the Company and which are available with the Board of the Company as on March 31, 2019.

| Core Competencies                                   | Sub competencies   |
|---|--|
| Industry knowledge/experience & Technical Expertise | <ul style="list-style-type: none"> <li>i. Should have adequate knowledge to make informed decisions about the industry and the organization.</li> <li>ii. To ensure overall efficiency &amp; profitability.</li> <li>iii. To mitigate larger risks by ensuring compliance.</li> <li>iv. Knowledge of broad public policy direction &amp; understanding of government legislation.</li> <li>v. Understanding of macro-economic factors, trends, challenges and opportunities, or unique dynamics in financial market that are relevant to Religare Enterprises.</li> </ul>  |
| Governance  | <ul style="list-style-type: none"> <li>i. Should have essential knowledge and understanding of governance related matter.</li> <li>ii. Ability to think strategically, identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Religare Enterprise's relevant policies and priorities. The ability to support, promote, and ensure alignment with the organization's vision and values.</li> <li>iii. Ability to identify key issues and opportunities for Religare Enterprises within Financial Services industry and develop appropriate policies to define the parameters within which the organisation should operate.</li> <li>iv. Ability to make prudent business decisions based on risk assessment and market conditions that reflect the risk appetite and corporate values of the organization; including the ability to apply practical business experience at a governance level.</li> <li>v. Should have essential knowledge and understanding of governance related matter.</li> </ul> |
| Leadership  | <ul style="list-style-type: none"> <li>i. Ability to inspire, motivate and offer direction and leadership to others. They also demonstrate an understanding of the importance of teamwork to the success of the board. This may include an ability to recognize and value the contributions of all board members, staff, and stakeholders.</li> <li>ii. Make use of available resources by delegating responsibilities and directing resources to desired results.</li> </ul>  |
| Strategic thinking and decision making              | <ul style="list-style-type: none"> <li>i. Ability to see the big picture and also being goal/future oriented.</li> <li>ii. Ability to think independently &amp; critically.</li> <li>iii. Ability to make informed decisions efficiently &amp; take necessary actions.</li> <li>iv. Ability to analyse &amp; understand report and data presentations.</li> <li>v. Ability to review and analyse proposed budgets &amp; vacancies to provide organization with strategic inputs &amp; priorities.</li> </ul>   |





| Core Competencies  | Sub competencies  |
|--|---|
| Personal Attributes/Behavioural competencies - The attributes and competencies enabling the individual director to use their knowledge and skills to function well as a team member and to interact with key stakeholders. | <ul style="list-style-type: none"> <li>i. Leadership &amp; Collaboration - Ability to inspire, motivate and offer direction and leadership to others. They also demonstrate an understanding of the importance of teamwork to the success of the board. This may include an ability to recognize and value the contributions of all board members, staff, and stakeholders.</li> <li>ii. Communication Skills - Ability to both listen effectively and articulate ideas, opinions, rationales and comments in a clear, concise manner. This includes accepting accountability for engaging in frank, open and honest discussions, valuing a diversity of opinions and perspectives, making well-informed decisions and seeking to achieve in-group consensus in the best interest of Religare Enterprises.</li> <li>iii. Integrity - A commitment to: <ul style="list-style-type: none"> <li>a) putting the Company's interests before any personal interests.</li> <li>b) acting in a transparent manner and declaring any activities or conduct that might be a potential conflict.</li> <li>c) maintaining Board confidentiality at all times.</li> </ul> </li> <li>iv. Influencer and negotiator - The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain stakeholder support for the Board's decisions.</li> <li>v. Commitment - A visible commitment to the purpose for which Religare Enterprises has been established and operates, and its on-going success.</li> </ul> |

#### Information available to the Board

During the year 2018-19, minimum information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, wherever applicable, has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the board meeting and/or is placed at the table during the course of the meeting. Key Managerial Personnel and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairperson/CEO prepares the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

#### Separate Meeting of Independent Directors & Familiarization Programme for Independent Directors

During financial year 2018-19, separate meetings of the Independent Directors of the Company were held on September 06, 2018 and February 12, 2019 without the presence of Non-Independent Directors and members of management. Along with other matters, Independent Directors discussed the matters specified in Schedule IV of the Act and Regulation 25(4) SEBI Listing Regulations.

Company has also carried out Familiarization Programme for its Non – Executive Independent Directors on September 06, 2018 and November 20, 2018 in accordance with the Regulation 25(7) of SEBI Listing Regulations read with Independent Director Training Policy of the Company. Details of Familiarization Programmes conducted are uploaded on the website of the Company & can be accessed through the link <https://www.religare.com/Familiarisation-Prgm-for-ID.aspx>

#### Shareholding of Executive Directors

As on March 31, 2019, there is no Executive Director on the Board of the Company. Further, Mr. Krishnan Subramanian, Executive Director who was on the Board till March 11, 2019 did not hold any shares or convertible instruments of the Company during his tenure on the Board in the financial year 2018-19.

Accordingly, no Executive Directors of the Company have any shareholding in the Company as on March 31, 2019.



## C. COMMITTEES OF THE BOARD

The Board has constituted 8 Committees viz. Audit and Governance Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Investment, Borrowing and Share Allotment Committee, Risk Management Committee, Asset Liability Committee and RPT Sub-Committee.

Details of the role and composition of Board Committees constituted as per requirements of the Act and SEBI Listing Regulations including number of meetings held during the financial year and attendance thereat are provided below:

### I. Audit and Governance Committee

#### (i) Composition

The Composition of the Audit and Governance Committee as at March 31, 2019 is as under:

| S. No. | Name of Member/Chairperson     | Position    |
|--------|--------------------------------|-------------|
| 1      | Ms. Vijayalakshmi Rajaram Iyer | Chairperson |
| 2      | Mr. Malay Kumar Sinha          | Member      |
| 3      | Mr. Sushil Chandra Tripathi    | Member      |
| 4      | Dr. Rashmi Saluja              | Member      |

The Composition of the Committee and terms of reference are in compliance with Section 177 of the Act and Regulation 18 of SEBI Listing Regulations. The Chairperson of the Committee is an Independent Director. The Company Secretary to the Company acts as the Secretary to the Committee. All the members of the Committee have the ability to read and understand the Financial Statements.

#### (ii) Terms of Reference:

Primarily, the Audit Committee is responsible for:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring independence and performance of auditors, effectiveness of audit process.



8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors of any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. Approval of appointment of Chief Financial Officer ("CFO") (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Approval or any subsequent modification of transactions of the company with related parties; including the omnibus approval for the related party transactions proposed to be entered by the Company.
15. Scrutiny of inter-corporate loans and investments.
16. Valuation of undertakings or assets of the company, wherever it is necessary.
17. Evaluation of internal financial controls including internal controls relating to the insider trading and risk management systems.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
19. To review the functioning of the Whistle Blower mechanism.
20. Review of utilization of loans and/ or advances from/investment by the Company in any of its subsidiary exceeding ₹ 100 crore or 10% of the asset size of that subsidiary, whichever is lower including existing loans / advances / investments.
21. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and specified in Listing Regulations.

The above terms of reference have been adopted by the Board of Company on March 22, 2019 in terms of the amendments in SEBI Listing Regulations effective from April 01, 2019.

(iii) **Meetings and attendance during the year**

During the financial year 2018-19, **Six (6)** meetings of the Audit and Governance Committee were held: May 29, 2018, August 01, 2018, September 06, 2018, November 19, 2018, February 12, 2019 and March 28, 2019.

The attendances of Members at the meetings of the Committee held during the year are as follows:

| S. No. | Name of the Member/Chairperson              | No. of Meetings Attended |
|--------|---|--------------------------|
| 1      | Mr. P. Vijaya Bhaskar <sup>1</sup>          | 0/0                      |
| 2      | Mr. Vikram Talwar <sup>2</sup>              | 3/3                      |
| 3      | Ms. Vijayalakshmi Rajaram Iyer <sup>3</sup> | 6/6                      |
| 4      | Mr. Malay Kumar Sinha <sup>4</sup>          | 5/5                      |
| 5      | Mr. Sushil Chandra Tripathi <sup>5</sup>    | 4/4                      |
| 6      | Mr. Padam Narain Bahl <sup>6</sup>          | 0/1                      |
| 7      | Dr. Rashmi Saluja <sup>7</sup>              | 1/1                      |

<sup>1</sup>Ceased to be member due to his demise on May 04, 2018;



<sup>2</sup>Ceased to be member due to end of his term at the Annual General Meeting held on September 20, 2018;

<sup>3</sup>Appointed as member of the Committee w.e.f. May 16, 2018, further was appointed as Chairperson of the Committee w.e.f. June 12, 2018;

<sup>4</sup>Appointed as member of the Committee on June 12, 2018;

<sup>5</sup>Appointed as member of the Committee on August 01, 2018;

<sup>6</sup>Resigned as Director on June 04, 2018 and accordingly, ceased to be member of the Committee w.e.f. June 04, 2018;

<sup>7</sup>Appointed as member of the Committee on February 12, 2019.

Chief Executive Officer, Chief Financial Officer, Representatives of the Statutory and Internal Auditors usually attend the Audit Committee meetings by invitation. The Company Secretary to the Company acts as the Secretary of the Committee.

**Separate Meeting with Statutory Auditors:** As a good governance practice and in order to get the inputs and opinion of the Statutory Auditors, the Committee holds one separate one-to-one meeting with Statutory Auditors without the presence of the Management.

## II. Nomination and Remuneration Committee

### (i) **Composition**

The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The composition of the Nomination and Remuneration Committee as at March 31, 2019 is as under:-

| S. No. | Name of Member/Chairperson     | Position    |
|--------|--------------------------------|-------------|
| 1      | Mr. Malay Kumar Sinha          | Chairperson |
| 2      | Dr. Rashmi Saluja              | Member      |
| 3      | Mr. Sushil Chandra Tripathi    | Member      |
| 4      | Ms. Vijayalakshmi Rajaram Iyer | Member      |

Chairperson of the Committee is an Independent Director. The Company Secretary acts as the secretary to the Nomination and Remuneration Committee.

### (ii) **Terms of Reference**

The role of the Nomination and Remuneration Committee includes:

1. Formulation, Superintendence and administration of Director's appointment & remuneration policy;
2. Formulation, Superintendence and administration of Key Managerial Personnel's appointment and remuneration policy;
3. Formulation, Superintendence and administration of Employees remuneration policy; & review of annual performance evaluation of Senior Management Personnel and making suitable recommendations to the Board;
4. Formulation, Superintendence and administration of Annual Performance Evaluation Policy of the Board;
5. Oversee the Company's nomination process for the top level management and specifically to identify, screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors consistent with the criteria approved by the Board and to recommend for approval by the Board nominees for election at the Annual General Meeting of the Company;
6. Superintendence and administration of the Employee Stock Option Schemes of the Company;
7. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company or mentioned in the Listing Regulations.

The above terms of reference have been adopted by the Board of Company on March 22, 2019 in terms of the amendments in SEBI Listing Regulations effective from April 01, 2019.



### (iii) Meetings and attendance during the year

During the financial year 2018-19, **Six (6)** meetings of the Committee were held: August 01, 2018; August 07, 2018, November 19, 2018, January 23, 2019, February 12, 2019 and March 28, 2019.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name of the Member/Chairperson              | No. of Meetings attended |
|--------|---|--------------------------|
| 1      | Mr. Malay Kumar Sinha <sup>1</sup>          | 6/6                      |
| 2      | Ms. Vijayalakshmi Rajaram Iyer <sup>2</sup> | 6/6                      |
| 3      | Mr. Vikram Talwar <sup>3</sup>              | 2/2                      |
| 4      | Mr. Sushil Chandra Tripathi <sup>4</sup>    | 5/5                      |
| 5      | Dr. Rashmi Saluja <sup>5</sup>              | 1/1                      |
| 6      | Mr. Rama Krishna Shetty <sup>6</sup>        | 0/0                      |

<sup>1</sup>Appointed as member of the Committee w.e.f. July 12, 2018;

<sup>2</sup>Appointed as member of the Committee w.e.f. June 12, 2018;

<sup>3</sup>Ceased to be member of the Committee w.e.f. September 20, 2018;

<sup>4</sup>Appointed as member of the Committee w.e.f. August 01, 2018;

<sup>5</sup>Appointed as Member of the Committee w.e.f. February 12, 2019;

<sup>6</sup>Resigned as Director on June 30, 2018 and accordingly, he ceased to be member of the Committee w.e.f. June 30, 2018.

### III. Stakeholders Relationship Committee

#### (i) Composition

The Stakeholders Relationship Committee has been constituted to specifically look into the redressal of Shareholders and Investors complaints and other shareholders related issues.

The composition of Stakeholders Relationship Committee as at March 31, 2019 is as under:-

| S. No. | Name of the Member/Chairperson | Position    |
|--------|--------------------------------|-------------|
| 1      | Ms. Sabina Vaisoha             | Chairperson |
| 2      | Mr. Malay Kumar Sinha          | Member      |
| 3      | Mr. Sushil Chandra Tripathi    | Member      |

Chairperson of the Committee is a Non-Executive Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee.

#### (ii) Terms of Reference

- Overseeing and reviewing all matters connected with securities of the Company;
- Redressal of Shareholders' / Investors'/Debenture holders'/other security holders complaints/ queries related to transfer / transmission / consolidation / splitting of shares/ rematerialisation, non-receipt of Annual Report, declared dividend, issue of new/duplicate certificates, general meetings etc.;
- Overseeing the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of Investor services;
- Review of adherence of the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agent;
- Review of various measures and initiative taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;



The above terms of reference have been adopted by the Board of Company on March 22, 2019 in terms of the amendments in SEBI Listing Regulations effective from April 01, 2019.

**(iii) Meetings and attendance during the year**

During the year ended March 31, 2019, **three (3)** meetings of the Committee were held: May 30, 2018, November 20, 2018 and February 12, 2019.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name of the Member/Chairperson           | No. of Meetings attended |
|--------|--|--------------------------|
| 1      | Ms. Sabina Vaisoha                       | 3/3                      |
| 2      | Mr. Rama Krishna Shetty <sup>1</sup>     | 1/1                      |
| 3      | Mr. Krishnan Subramanian <sup>2</sup>    | 1/ 2                     |
| 4      | Mr. Malay Kumar Sinha <sup>3</sup>       | 2/2                      |
| 5      | Mr. Sushil Chandra Tripathi <sup>4</sup> | 1/1                      |

<sup>1</sup>Resigned as Director on June 30, 2018 and accordingly, he ceased to be member of the Committee w.e.f. June 30, 2018;

<sup>2</sup>Ceased to be member of the Committee w.e.f. November 20, 2018;

<sup>3</sup>Appointed as member of the Committee w.e.f. July 12, 2018;

<sup>4</sup>Appointed member of the Committee w.e.f. November 20, 2018.

The details of investor complaints received and resolved during the period April 1, 2018 to March 31, 2019 is as under:

| No. of Investor Complaints pending at the beginning of April 1, 2018 | No. of Investor Complaints received from April 1, 2018 to March 31, 2019 | No. of Investor Complaints resolved from April 1, 2018 to March 31, 2019 | No. of Investor Complaints pending at the end of March 31, 2019 |
|--|--|--|---|
| 0  | 09   | 09   | 0   |

The Company addresses all complaints/grievances, suggestions and grievances expeditiously and replies have been sent/ issues resolved within 15 days from the date of lodgement of complaint's/ grievances.

Ms. Reena Jayara, Company Secretary is the Compliance Officer of the Company.

**IV. Corporate Social Responsibility Committee**

**(i) Composition**

The Corporate Social Responsibility Committee of the Board ("CSR Committee") has been constituted to oversee the CSR Policy of the Company and recommend and monitor the amount of expenditure to be incurred on the activities mentioned in the Schedule VII of the Act. The composition of CSR Committee as at March 31, 2019 is as under:-

| S. No. | Name of the Member/Chairperson | Position |
|--------|--------------------------------|----------|
| 1      | Ms. Sabina Vaisoha             | Member   |
| 2      | Mr. Malay Kumar Sinha          | Member   |
| 3      | Mr. Sushil Chandra Tripathi    | Member   |





**(ii) Terms of Reference**

- i. Formulation of Corporate Social Responsibility Policy;
- ii. Recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities to the Board;
- iii. Monitoring and ensuring implementation of the projects / programmes / activities proposed to be undertaken by the company;
- iv. Discharge such other role/functions as may be specifically referred to the Committee by the Board of Directors in relation to Corporate Social Responsibility Policy of the Company from time to time

**(iii) Meetings and attendance during the year**

During the year ended March 31, 2019, **One (1)** meeting of the Committee was held: August 01, 2018.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name of the Member/Chairman              | No. of Meetings attended |
|--------|--|--------------------------|
| 1      | Mr. Malay Kumar Sinha <sup>1</sup>       | 1/1                      |
| 2      | Ms. Sabina Vaisoha                       | 1/1                      |
| 3      | Mr. Krishnan Subramanian <sup>2</sup>    | 1 /1                     |
| 4      | Mr. Rama Krishna Shetty <sup>3</sup>     | 0/0                      |
| 5      | Mr. Sushil Chandra Tripathi <sup>4</sup> | 0/0                      |

<sup>1</sup>Appointed as member of the Committee w.e.f. July 12, 2018;

<sup>2</sup>Ceased to be member of the Committee w.e.f November 20, 2018;

<sup>3</sup>Resigned as Director on June 30, 2018 and accordingly, he ceased to be member of the Committee w.e.f. June 30, 2018;

<sup>4</sup>Appointed as member of the Committee w.e.f. November 20, 2018.

**V. Investment, Borrowing and Share Allotment Committee**

**(i) Composition**

The Board decided to merge the Investment and Borrowing Committee and Share Allotment Committee and accordingly renamed the same as Investment, Borrowing and Share Allotment Committee w.e.f January 24, 2018.

The composition of Investment, Borrowing and Share Allotment Committee as at March 31, 2019 is as under:-

| S. No. | Name of the Member/Chairperson | Position |
|--------|--------------------------------|----------|
| 1      | Mr. Malay Kumar Sinha          | Member   |
| 2      | Ms. Vijayalakshmi Rajaram Iyer | Member   |
| 3      | Dr. Rashmi Saluja              | Member   |
| 4      | Mr. Sushil Chandra Tripathi    | Member   |

**(ii) Terms of Reference**

- i. To invest the funds of the Company; borrow monies and make loans in the form of subscription/ acquisition/purchase of securities, loans, Guarantees, (including Corporate and Counter Guarantee), Inter Corporate Deposits [ICDs] in Subsidiaries/Joint Ventures or otherwise and providing security on behalf of subsidiaries as may decided by the Committee from time to time up to ₹ 6000 and to borrow monies from Banks, other Bodies Corporate or Individuals in the form of term loan, ICD's, Working Capital Loan or otherwise as may be decided by the members of the Committee from time to time up to ₹ 3000 Crores;



- ii. To look after the matters pertaining to the issue, offer, allotment and cancellation of securities including ESOP/SAR/ Equity / Preference shares / instruments convertible into Equity Shares, whether optionally or otherwise and GDRs, of the Company, to make call on securities, to invite & accept further subscription money on securities, to issue share certificates / receipts, to redeem / convert securities and to do all such acts, deeds and things as may be considered necessary and incidental thereto.

**(iii) Meetings and attendance during the year**

During the year ended March 31, 2019, **Nine (9)** meetings of the Committee were held: May 29, 2018, June 29, 2018, July 26, 2018, July 30, 2018, August 27, 2018, August 30, 2018, September 04, 2018, September 14, 2018 and November 19, 2018.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name of the Member/Chairperson              | No. of Meetings attended |
|--------|---|--------------------------|
| 1      | Mr. Vikram Talwar <sup>1</sup>              | 5/8                      |
| 2      | Ms. Vijayalakshmi Rajaram Iyer <sup>2</sup> | 4/9                      |
| 3      | Mr. Padam Narain Bahl <sup>3</sup>          | 0/1                      |
| 4      | Mr. Malay Kumar Sinha <sup>4</sup>          | 7/8                      |
| 5      | Mr. Krishnan Subramanian <sup>5</sup>       | 7/8                      |
| 6      | Mr. P. Vijaya Bhaskar <sup>6</sup>          | 0/0                      |
| 7      | Dr. Rashmi Saluja <sup>7</sup>              | 0/0                      |
| 8      | Mr. Sushil Chandra Tripathi <sup>8</sup>    | 0/0                      |

<sup>1</sup>Ceased to be member of the Committee w.e.f. September 20, 2018;

<sup>2</sup>Appointed as member of the Committee w.e.f. May 16, 2018;

<sup>3</sup>Resigned as Director on June 04, 2018 and accordingly, he ceased to be member of the Committee w.e.f. June 04, 2018;

<sup>4</sup>Appointed as member of the Committee w.e.f. June 12, 2018;

<sup>5</sup>Ceased to be member of the Committee w.e.f. November 20, 2018;

<sup>6</sup>Ceased to be member of the Committee due to his demise on May 04, 2018;

<sup>7</sup>Appointed as member of the Committee w.e.f. March 14, 2019;

<sup>8</sup>Appointed as member of the Committee w.e.f. November 20, 2018.

**VI. Risk Management Committee**

**(i) Composition**

The Risk Management Committee has been constituted to review integrated risk of the Company and to provide operational and policy guidance to the Company which paves the way for an effective risk management including the cyber security so as to safeguard the interest of the Company. The composition of Risk Management Committee as at March 31, 2019 is as under:-

| S. No. | Name of the Member/Chairperson | Position |
|--------|--------------------------------|----------|
| 1      | Mr. Malay Kumar Sinha          | Member   |
| 2      | Ms. Vijayalakshmi Rajaram Iyer | Member   |
| 3      | Dr. Rashmi Saluja              | Member   |
| 4      | Mr. Milind Narendra Patel      | Member   |



**(ii) Meetings and attendance during the year**

During the year ended March 31, 2019, **two (2)** meetings of the Committee were held: May 29, 2018 and November 19, 2018.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name of the Member/Chairperson              | No. of Meetings attended |
|--------|---|--------------------------|
| 1      | Ms. Vijayalakshmi Rajaram Iyer <sup>1</sup> | 2/2                      |
| 2      | Mr. Padam Narain Bahl <sup>2</sup>          | 0/1                      |
| 3      | Mr. Malay Kumar Sinha <sup>3</sup>          | 1/1                      |
| 4      | Mr. Vikram Talwar <sup>4</sup>              | 1/1                      |
| 5      | Dr. Rashmi Saluja <sup>5</sup>              | 0/0                      |
| 6      | Mr. Milind Narendra Patel <sup>6</sup>      | 0/0                      |

<sup>1</sup>Appointed as member of the Committee w.e.f. May 16, 2018;

<sup>2</sup>Resigned as Director on June 04, 2018 and accordingly, he ceased to be member of the Committee w.e.f. June 04, 2018;

<sup>3</sup>Appointed as member of the Committee w.e.f. June 12, 2018;

<sup>4</sup>Ceased to be member of the Committee w.e.f. September 20, 2018;

<sup>5</sup>Appointed as member of the Committee w.e.f. March 14, 2019;

<sup>6</sup>Appointed as member of the Committee w.e.f. November 20, 2018.

**VII. Asset Liability Committee**

**(i) Composition**

The Asset Liability Committee has been constituted to manage liquidity and interest rate risk and to put in place the ALM system and to decide the product pricing for the loans, maturity profile and mix of the incremental assets and liabilities. The composition of Assets Liability Committee as at March 31, 2019 is as under:-

| S. No. | Name of the Member/Chairperson | Position |
|--------|--------------------------------|----------|
| 1      | Ms. Vijayalakshmi Rajaram Iyer | Member   |
| 2      | Mr. Sushil Chandra Tripathi    | Member   |
| 3      | Dr. Rashmi Saluja              | Member   |
| 4      | Mr. Milind Narendra Patel      | Member   |

**(ii) Meetings and attendance during the year**

During the year ended March 31, 2019, **Four (4)** meetings of the Committee were held: May 29, 2018, September 06, 2018, November 19, 2018 and February 12, 2019.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name  | No. of Meetings attended |
|--------|---|--------------------------|
| 1      | Ms. Vijayalakshmi Rajaram Iyer <sup>1</sup> | 3/3                      |
| 2      | Mr. Sushil Chandra Tripathi <sup>2</sup>    | 2/2                      |
| 3      | Mr. Rama Krishna Shetty <sup>3</sup>        | 1/1                      |
| 4      | Mr. Vikram Talwar <sup>4</sup>              | 2/2                      |
| 5      | Mr. Krishnan Subramanian <sup>5</sup>       | 1/3                      |
| 6      | Dr. Rashmi Saluja <sup>6</sup>              | 0/0                      |
| 7      | Mr. Milind Narendra Patel <sup>7</sup>      | 1/1                      |

<sup>1</sup>Appointed as member of the Committee w.e.f. July 12, 2018;

<sup>2</sup>Appointed as member of the Committee w.e.f. October 26, 2018;



<sup>3</sup>Resigned as Director on June 30, 2018 and accordingly, he ceased to be member of the Committee w.e.f. June 30, 2018;

<sup>4</sup>Ceased to be member of the Committee w.e.f. September 20, 2018;

<sup>5</sup>Ceased to be member of the Committee on November 20, 2018;

<sup>6</sup>Appointed as member of the Committee w.e.f. March 14, 2019;

<sup>7</sup>Appointed as member of the Committee w.e.f. November 20, 2018.

#### **VIII. RPT Sub-Committee**

##### **(i) Composition**

RPT Sub-Committee has been constituted to monitor and regulate transactions between the Company and its Related Parties in terms of shareholder agreement with International Finance Corporation. The composition of RPT Sub-committee as at March 31, 2019 is as under:-

| S. No. | Name of the Member/Chairperson | Position |
|--------|--------------------------------|----------|
| 1      | Ms. Vijayalakshmi Rajaram Iyer | Member   |
| 2      | Mr. Malay Kumar Sinha          | Member   |
| 3      | Mr. Sushil Chandra Tripathi    | Member   |

##### **(ii) Meetings and attendance during the year**

During the year ended March 31, 2019 **three (3)** meetings of the Committee were held: September 06, 2018, November 19, 2018 and February 12, 2019.

The attendances of Members at the meetings of the Committee held during the year are as follows:-

| S. No. | Name of the Member/Chairperson              | No. of Meetings attended |
|--------|---|--------------------------|
| 1      | Ms. Vijayalakshmi Rajaram Iyer <sup>1</sup> | 3/3                      |
| 2      | Mr. Malay Kumar Sinha <sup>1</sup>          | 3/3                      |
| 3      | Mr. Sushil Chandra Tripathi <sup>2</sup>    | 1/1                      |
| 4      | Mr. Krishnan Subramanian <sup>3</sup>       | 1 /2                     |
| 5      | Mr. Padam Narain Bahl <sup>4</sup>          | 0/0                      |
| 6      | Mr. Rama Krishna Shetty <sup>5</sup>        | 0/0                      |

<sup>1</sup>Appointed as member of the Committee w.e.f. July 12, 2018;

<sup>2</sup>Appointed as member of the Committee w.e.f. November 20, 2018;

<sup>3</sup>Ceased to member of the Committee w.e.f. November 20, 2018;

<sup>4</sup>Resigned as Director on June 04, 2018 and therefore he ceased to be a member of the Committee w.e.f. June 04, 2018;

<sup>5</sup>Resigned as Director on June 30, 2018 and therefore he ceased to be a member of the Committee w.e.f. June 30, 2018.

#### **D. POLICIES ON APPOINTMENT & REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Nomination and Remuneration Committee ("NRC") has determined the criteria to identify the Directors and Key Managerial Personnel (KMP) in accordance with the criteria laid down, and recommended to the Board following policies relating to the appointment and remuneration for the Directors, Key Managerial Personnel and other employees which were approved by the Board:

1. Employee Remuneration Policy
2. Director's Fit & Proper Policy
3. Director's Appointment & Remuneration Policy
4. KMP's Appointment & Remuneration Policy



## Appointment

NRC determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account apart from others, Board diversity, person's eligibility, qualification, expertise, track record, general understanding of the business, professional ethics, integrity, values and other fit and proper criteria's. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member. In case of re-appointment of any Board member, NRC basis evaluation scores of the concerned Board member pursuant to performance evaluation, recommends its decision to the Board to extend or continue the term of appointment of the Board member.

The authority to identify right candidates for appointment of KMP's is vested with the Group CEO. The Group CEO along with HR Head identifies candidates internally or externally and proposes to NRC for its approval for appointment along with proposed remuneration. The remuneration proposed used to be consistent with the strategy of the Company and in line with the comparable market & internal remuneration benchmarks.

In case of CEO's appointment & remuneration, NRC initiates the process of identifying the CEO. After identification of the candidate, NRC proposes the candidature to Board for its approval for appointment.

## Remuneration

The remuneration of Executive / Non-Executive Directors and KMPs is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards and decided by NRC in accordance of abovementioned policies. NRC conducts a review of director compensation on a periodic basis to ensure directors of the Company are compensated effectively in a manner consistent with the strategy of the Company and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company. CEO's remuneration is determined keeping in view the industry benchmark & the relative performance of the company to the industry performance. It is proposed by NRC and subsequently approved by the Board.

### (i) Remuneration of Executive Directors

Remuneration of Executive Directors is decided by the Board based on recommendation of NRC within the ceiling fixed by the Shareholders and permissible under the Act. Remuneration paid to the Executive Directors for the year ended March 31, 2019 and the disclosure as per the requirement of Schedule V of the Act and SEBI Listing Regulations, are as follows:

(Amount in Rs)

| Name of the Director                  | Salary & Allowances | Commission payable | Perquisite | Retiral Benefits | Total     | Stock Options Granted |
|---------------------------------------|---------------------|--------------------|------------|------------------|-----------|-----------------------|
| Mr. Krishnan Subramanian <sup>1</sup> | 7,139,997           | Nil                | Nil        | 3,60,000         | 7,499,997 | Nil                   |

<sup>1</sup>Mr. Krishnan Subramanian, Director –Finance resigned on November 14, 2018. However, he ceased to be Director – Finance w.e.f. March 11, 2019 on receipt of approval of the RBI for his resignation.

The Company has not granted any fresh stock options to any of its Executive Director for the financial year under the review.

### (ii) Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors do not have any pecuniary relationship or transactions with the Company. They are paid only the sitting fees for attending the meetings of the Board of Directors and Committees within the limits as prescribed under the Act. Independent Directors are paid sitting fees of ₹1,00,000/- per meeting for attending the Board, Audit Committee and Risk Management Committee meetings. Sitting fees amount paid to the Independent Directors for the Nomination & Remuneration Committee, Asset Liability Committee, Stakeholders Relationship Committee, RPT-Committee, Corporate Social Responsibility Committee and Investment, Borrowing & Share Allotment Committee meetings is ₹20,000/- per meeting. Non-Executive Non-Independent Directors are paid sitting fees of ₹25,000/- per Board/Committee Meeting (except for Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Committee, RPT-Sub Committee and Investment, Borrowing & Share Allotment Committee Meeting for which sitting fees paid to Non-Executive Non-Independent Directors is ₹10,000/- per meeting).



Details of remuneration paid to Non-Executive Directors during FY 2018-19 and their shareholding in the Company as at 31<sup>st</sup> March 2019 are as follows:

| S. No | Name of Director                            | Sitting Fees (₹) | Salary (₹) | Benefits or Bonuses | Stock Options | Shareholding (Number of Share) |
|-------|---|------------------|------------|---------------------|---------------|--------------------------------|
| 1     | Dr. Rashmi Saluja <sup>1</sup>              | 5,20,000         | Nil        | Nil                 | Nil           | Nil                            |
| 2     | Mr. Malay Kumar Sinha <sup>2</sup>          | 30,60,000        | Nil        | Nil                 | Nil           | Nil                            |
| 3     | Mr. Sushil Chandra Tripathi <sup>3</sup>    | 19,20,000        | Nil        | Nil                 | Nil           | Nil                            |
| 4     | Ms. Vijayalakshmi Rajaram Iyer <sup>4</sup> | 29,60,000        | Nil        | Nil                 | Nil           | Nil                            |
| 5     | Ms. Sabina Vaisoha                          | 14,00,000        | Nil        | Nil                 | Nil           | Nil                            |
| 6     | Mr. Deepak Ramchand Sabnani <sup>5</sup>    | 1,00,000         | Nil        | Nil                 | Nil           | Nil                            |
| 7     | Mr. Padam Narain Bahl <sup>6</sup>          | 1,00,000         | Nil        | Nil                 | Nil           | Nil                            |
| 8     | Mr. Rama Krishna Shetty <sup>7</sup>        | 4,00,000         | Nil        | Nil                 | Nil           | Nil                            |
| 9     | Mr. Vikram Talwar <sup>8</sup>              | 14,00,000        | Nil        | Nil                 | Nil           | Nil                            |
| 10    | Mr. P. Vijaya Bhaskar <sup>9</sup>          | Nil              | Nil        | Nil                 | Nil           | Nil                            |
| 11    | Mr. Ashok Mehta <sup>10</sup>               | Nil              | Nil        | Nil                 | Nil           | Nil                            |

<sup>1</sup>Appointed as Director w.e.f. December 20, 2018; further Dr. Rashmi Saluja was appointed as Non-Executive Independent Chairperson of the Company w.e.f June 19, 2019;

<sup>2</sup>Appointed as Director w.e.f. May 28, 2018;

<sup>3</sup>Appointed as Director w.e.f. August 01, 2018;

<sup>4</sup>Appointed as Director w.e.f. May 08, 2018;

<sup>5</sup>Resigned as Director w.e.f. May 18, 2018;

<sup>6</sup>Resigned as Director w.e.f. June 04, 2018;

<sup>7</sup>Resigned as Director w.e.f. June 30, 2018;

<sup>8</sup>Ceased to be Director w.e.f. September 20, 2018;

<sup>9</sup>Ceased to be Director w.e.f. May 04, 2018;

<sup>10</sup>Resigned as Director w.e.f. April 17, 2018.

None of the Independent Directors holds any convertible instruments i.e. which are convertible into equity shares of the Company as on March 31, 2019.

Apart from receiving sitting fees, no Non-Executive Director including Independent Directors received any fixed component & performance linked incentives from the Company during the period under review.

Further, there were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review other than the payment of sitting fees for attending meetings of the Board and its Committee. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

### **Employee Stock Options Schemes**

Nomination and Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

During the year under review a new Employees' Stock Option Scheme called the "Religare Enterprises Limited Employees Stock Option Plan 2019" was introduced for which approval of shareholders of the Company was obtained through Postal Ballot on March 29, 2019, results of which was declared on March 30, 2019. Under the said plan 1,62,25,000 stock options were granted by the Committee after the end of financial year 2018-19. Details as required under the SEBI SBEB Regulations, for Religare Employees Stock Option Scheme 2010, Religare Employees Stock Option Scheme 2012 and Religare Employees Stock Option Scheme 2019 have been uploaded on the website of the Company and can be accessed through the link <https://www.religare.com/Employee-Stock-Option-Schemes.aspx>

There is no material change in the ESOP schemes of the Company during the year.





## E. ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations the Board conducts an annual performance evaluation of its own performance, the performance of the Directors individually as well as the evaluation of the working of its Committees through questionnaire designed with qualitative parameters and feedback based on ratings.

The criteria covered to conduct the evaluation process includes contribution to and monitoring of corporate governance practices, knowledge & update of relevant areas, participation in the long term strategic planning and fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active/effective participation at the Board and Committee meetings, representation of shareholders' interest and enhancing shareholders value etc.

During the year under review there have been numerous changes in the composition of the Board of the Company so much so that the majority of the Directors on the Board at the time of conducting the evaluation exercise were newly appointed. The evaluation exercise for FY 2017-18 was initiated by the Company but same could not be completed as the Board decided that considering the short span of the current directors on the Board of the Company, they are not in a position to complete the evaluation exercise for functioning the Committees, Board as a whole and individual Directors. Accordingly, the performance evaluation exercise was deferred. The performance evaluation of the members of the Board, the Board level Committees and Board as a whole was carried out on May 22, 2019 and May 23, 2019 for FY 2018-19.

The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at their meeting, assessed the quality and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

## F. GENERAL BODY MEETINGS

### (i) Annual General Meetings

Details of the Annual General Meetings held in the last three years:

| Year      | Date       | Day      | Time       | Venue   | Special Resolutions Passed  |
|-----------|------------|----------|------------|---|---|
| 2015-2016 | 05.09.2016 | Monday   | 4:00 P.M.  | Air Force Auditorium, Subroto Park, New Delhi – 110010                            | *2 Special Resolutions were passed  |
| 2016-2017 | 21.09.2017 | Thursday | 4:00 P.M.  | Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003 | **1 Special Resolution which was not passed                                       |
| 2017-2018 | 20.09.2018 | Thursday | 11.30 A.M. | Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003 | ***3 Special Resolutions were passed<br>****3 Special Resolutions were not passed |

\*Resolutions pertaining to the following matters were passed as Special Resolutions:

- Raising of funds through issue of Non-Convertible Debentures aggregating upto ₹ 1,250 crores on private placement basis;
- Change in designation of Mr. Sunil Godhwani (DIN: 00174831) from "Chairman & Managing Director" to "Whole Time Director & Chief Executive Officer".

\*\*Resolution pertaining to the following matter was proposed to be passed as Special Resolution:

- Raising of funds through issue of Non-Convertible Debentures on private placement basis.

The above Resolution failed to receive requisite approval and hence was not passed.

\*\*\*Resolutions pertaining to the following matter were passed as Special Resolution:

- Appointment of Mr. Sushil Chandra Tripathi (DIN 00941922), as Non-Executive Independent Director of the Company for a term of 5 consecutive years;
- Appointment of Mr. Krishnan Subramanian (DIN: 08038047) as Whole Time Director of the Company for a period of three years;
- Disclosure of beneficial ownership of Bay Capital Investments Limited.



\*\*\*\*Resolutions pertaining to the following matter were proposed to be passed as Special Resolutions:

- Raising of funds through issue of Non-Convertible Debentures aggregating upto ₹500 crore on private placement basis;
- Ratification and approval of remuneration paid to Mr. Subramanian Lakshminarayanan (DIN: 02808698) as Executive Chairman of the Company;
- Ratification and approval of remuneration paid to Mr. Francis Daniel Lee (DIN: 07870495) as Executive Director of the Company.

However, the above mentioned resolutions failed to receive requisite majority and therefore could not be passed.

As on date of this report, there is no proposal for passing Special Resolution by Postal Ballot.

## (ii) Extra-ordinary General Meeting

During the period under review, no Extra-Ordinary General Meeting was held.

## (iii) Postal Ballot

During the financial year 2018-19, the Company has conducted two Postal Ballots in compliance with Regulation 44 of SEBI Listing Regulations and in pursuance of Section 108 read with Section 110 and other applicable provisions of the Act read with Companies (Management and Administration) Rules, 2014:

| Postal Ballot 1   | Postal Ballot 2  |
|---|--|
| 1. Re-classification of existing Promoters and Promoter Group of the Company into Public shareholder category ( <b>Ordinary Resolution</b> ). | 1. Approval of Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") for employees of the Company ( <b>Special Resolution</b> );   |
|   | 2. Approval of Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") for employees of the Holding and Subsidiary Companies of the Company ( <b>Special Resolution</b> );   |
|   | 3. Approval of grant of options under the Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") to the employees equivalent to or exceeding 1% of the current issued share capital of the Company ( <b>Special Resolution</b> ); |
|   | 4. Approve, offer or invitation to subscribe to Non-Convertible Debentures on private placement basis ( <b>Ordinary Resolution</b> ).  |
| Resolution was passed on October 17, 2018 result of which was declared on October 18, 2018.   | Resolutions were passed on March 29, 2019 results of which were declared on March 30, 2019.  |

## Persons responsible for conducting the postal ballot exercises:

- **Postal ballot 1:** Mr. Milind Narendra Patel, Group CEO, Mr. Krishnan Subramanian, Director – Finance and Ms. Reena Jayara, Company Secretary of the Company, were appointed as persons responsible for conducting postal ballot process in a fair and transparent manner. Mr. Ankush Agarwal, Partner (C.P. No. 14486) of M/s. MAK & CO., Company Secretaries was appointed as Scrutinizer for conducting the Postal Ballot process and services of Karvy Computershare Private Limited were engaged as an Agency for the purpose of providing e-voting facility. Mr. Ankush Agarwal conducted the process and submitted his report to the Chairperson.
- **Postal ballot 2:** Any Director of the Company, Mr. Milind Narendra Patel, Group CEO, and Ms. Reena Jayara, Company Secretary of the Company were appointed as persons responsible for conducting postal ballot process in a fair and transparent manner. Mr. Ankush Agarwal, Partner (C.P. No. 14486) of M/s. MAK & CO., Company Secretaries was appointed as Scrutinizer for conducting the Postal Ballot process and services of Karvy Fintech Private Limited were engaged as an Agency for the purpose of providing e-voting facility. Mr. Ankush Agarwal conducted the process and submitted his report to the Chairperson.

A detailed procedure followed by the Company for conducting the Postal Ballot process is provided hereunder:

**Procedure followed for postal ballot 1:**

- The Company issued the Postal Ballot Notice dated September 06, 2018, for the above-mentioned resolution. The draft resolution together with the explanatory statement, the Postal Ballot forms and self-addressed pre-paid business reply envelope were sent to the Members through e-mail and courier. As per Section 108 and 110 read with Companies (Management and Administration) Rules, 2014 ("Rules") and as per provisions of SEBI Listing Regulations, e-voting facility in addition to physical ballot was also provided to all the Shareholders of the Company;
- The Company also published the Postal Ballot Notice in the newspaper i.e. Financial Express (English Newspaper) and Jansatta (Hindi Newspaper) declaring the details and requirements as mandated by the Act and Rules. Further the Postal Ballot Notice was also placed at the Company website on the following link <https://www.religare.com/Notices.aspx>;
- Voting Rights were reckoned on the paid up value of the shares registered in the names of the Members/Beneficial Owner as on the Cut-Off date;
- Members who wish to exercise their votes by physical ballot were advised to read carefully the instructions printed on the Postal Ballot form and return the duly filled and signed Postal Ballot form in the attached self-addressed pre-paid business reply envelope, so as to reach the Scrutinizer on or before close of working hours i.e. on or before 5 p.m. on Wednesday, October 17, 2018;
- Since no Postal Ballot form was received, voting through electronic mode was considered upto the close of working hours on Wednesday, October 17, 2018, Mr. Ankush Agarwal, scrutiniser, submitted his report on Thursday, October 18, 2018;
- The results of the Postal Ballot were declared on Thursday, October 18, 2018 at the registered office by placing on the notice board of the Company. The date of receipt of approval i.e. October 17, 2018 of the requisite majority of shareholders by means of postal ballot votes has been taken as the date of passing of the resolution;
- The results of the postal ballot were published in Financial Express (English Newspaper) and Jansatta (Hindi Newspaper) and were also placed at the website of the Company on the following path <https://www.religare.com/Stock-Exchange-announcements.aspx> besides being communicated to the Stock Exchanges, Registrar and Share Transfer Agent.

**Procedure followed for postal ballot 2:**

- The Company issued the Postal Ballot Notice dated February 16, 2019, for the above-mentioned resolutions. The draft resolution together with the explanatory statement, the Postal Ballot forms and self-addressed pre-paid business reply envelope were sent to the Members through e-mail and courier. As per Section 108 and 110 read with Companies (Management and Administration) Rules, 2014 ("Rules") and as per provisions of SEBI Listing Regulations, e-voting facility in addition to physical ballot was also provided to all the Shareholders of the Company;
- The Company also published the Postal Ballot Notice in the newspaper i.e. Financial Express (English Newspaper) and Jansatta (Hindi Newspaper) declaring the details and requirements as mandated by the Act and Rules. Further the Postal Ballot Notice was also placed at the Company website on the following link <https://www.religare.com/Notices.aspx>;
- Members who wish to exercise their votes by physical ballot were advised to read carefully the instructions printed on the Postal Ballot form and return the duly completed form in the attached pre-paid business reply envelope, so as to reach the Scrutinizer on or before close of working hours on March 29, 2019;
- No Postal Ballot form was received and therefore voting through electronic mode was considered upto the close of working hours on Friday, March 29, 2019, Mr. Ankush Agarwal, submitted his report on Saturday, March 30, 2019;
- The result of the Postal Ballot was declared on Saturday, March 30, 2019 at the registered office by placing on the notice board of the Company. The date of receipt of approval i.e. March 29, 2019 of the requisite majority of shareholders by means of postal ballot votes has been taken as the date of passing of the resolution;
- The results of the postal ballot were published in Financial Express (English Newspaper) and Jansatta (Hindi Newspaper) and were also placed at the website of the Company on the following path <https://www.religare.com/Stock-Exchange-announcements.aspx> besides being communicated to the Stock Exchanges, Registrar and Share Transfer Agent.

**Details of Voting Pattern of Postal Ballot 1:**

After scrutinizing all votes received, the scrutinizer reported as under:

**RESOLUTION NO. 1 - Re-classification of Promoters and Promoter Group into Public shareholder category**

Details of voting through e-voting and postal ballot forms on the resolution are given below in A1 and A2, respectively:

**A1. VOTING THROUGH REMOTE E-VOTING:**

| Particulars                  | No. of share-holders | No. of Equity Shares | Paid-up value of the Equity Shares (In ₹) | % of Total Paid-up Equity Capital |
|------------------------------|----------------------|----------------------|---|-----------------------------------|
| (a) Total votes received     | 75                   | 9,22,77,996          | 92,27,79,960                              | 43.431                            |
| (b) Less: Abstained          | 3                    | 16,03,160            | 1,60,31,600                               | 0.755                             |
| (c) Net Valid votes received | 72                   | 9,06,74,836          | 90,67,48,360                              | 42.676                            |
| (d) Votes with Assent        | 65                   | 8,68,30,371          | 86,83,03,710                              | 40.867                            |
| (e) Votes with Dissent       | 7                    | 38,44,465            | 3,84,44,650                               | 1.809                             |

**A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:**

| Particulars                  | No. of Share-Holders | No. of Equity Shares | Paid-up value of the Equity Shares (In ₹) | % of Total Paid-up Equity Capital |
|------------------------------|----------------------|----------------------|---|-----------------------------------|
| (a) Total votes received     | 0                    | 0                    | 0   | 0                                 |
| (b) Less : Invalid Votes     | 0                    | 0                    | 0   | 0                                 |
| (c) Net Valid votes received | 0                    | 0                    | 0   | 0                                 |
| (d) Votes with Assent        | 0                    | 0                    | 0   | 0                                 |
| (e) Votes with Dissent       | 0                    | 0                    | 0   | 0                                 |

**Details of Voting Pattern of Postal Ballot 2:**

After scrutinizing all votes received, the scrutinizer reported as under:

**RESOLUTION NO. 1 - Approval of Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") for employees of the Company.**

Details of voting through e-voting and postal ballot forms on the resolution are given below in A1 and A2, respectively:

**A1. VOTING THROUGH REMOTE E-VOTING:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 73                  | 14,82,14,849      | 1,48,21,48,490                     | 61.26                                |
| (b) Less: Abstained      | 3                   | 12,58,080         | 1,25,80,800                        | 0.52                                 |
| (c) Net Valid Votes      | 70                  | 14,69,56,769      | 1,46,95,67,690                     | 60.74                                |
| (d) Votes with Assent    | 59                  | 11,93,80,398      | 1,19,38,03,980                     | 49.34                                |
| (e) Votes with dissent   | 11                  | 2,75,76,371       | 27,57,63,710                       | 11.40                                |

**A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 0                   | 0                 | 0                                  | 0                                    |
| (b) Less: Invalid Votes  | 0                   | 0                 | 0                                  | 0                                    |
| (c) Net Valid Votes      | 0                   | 0                 | 0                                  | 0                                    |
| (d) Votes with assent    | 0                   | 0                 | 0                                  | 0                                    |
| (e) Votes with dissent   | 0                   | 0                 | 0                                  | 0                                    |

**RESOLUTION NO. 2** - Approval of Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019/ Scheme") for employees of the Holding and Subsidiary Companies of the Company

Details of voting through e-voting and postal ballot forms on the resolution are given below in A1 and A2, respectively:

**A1. VOTING THROUGH REMOTE E-VOTING:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 73                  | 14,82,14,849      | 1,48,21,48,490                     | 61.26                                |
| (b) Less: Abstained      | 3                   | 12,58,080         | 1,25,80,800                        | 0.52                                 |
| (c) Net Valid Votes      | 70                  | 14,69,56,769      | 1,46,95,67,690                     | 60.74                                |
| (d) Votes with Assent    | 59                  | 11,93,80,394      | 1,19,38,03,940                     | 49.34                                |
| (e) Votes with dissent   | 12                  | 2,75,76,375       | 27,57,63,750                       | 11.40                                |

**A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 0                   | 0                 | 0                                  | 0                                    |
| (b) Less: Invalid Votes  | 0                   | 0                 | 0                                  | 0                                    |
| (c) Net Valid Votes      | 0                   | 0                 | 0                                  | 0                                    |
| (d) Votes with assent    | 0                   | 0                 | 0                                  | 0                                    |
| (e) Votes with dissent   | 0                   | 0                 | 0                                  | 0                                    |

**RESOLUTION NO. 3** - Approval of grant of options under the Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019/Scheme") to the employees equivalent to or exceeding 1% of the current issued share capital of the Company

Details of voting through e-voting and postal ballot forms on the resolution are given below in A1 and A2, respectively:



#### **A1. VOTING THROUGH REMOTE E-VOTING:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 73                  | 14,82,14,849      | 1,48,21,48,490                     | 61.26                                |
| (b) Less: Abstained      | 3                   | 12,58,080         | 1,25,80,800                        | 0.52                                 |
| (c) Net Valid Votes      | 70                  | 14,69,56,769      | 1,46,95,67,690                     | 60.74                                |
| (d) Votes with Assent    | 58                  | 11,93,79,938      | 1,19,37,99,380                     | 49.34                                |
| (e) Votes with dissent   | 12                  | 2,75,76,831       | 27,57,68,310                       | 11.40                                |

#### **A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 0                   | 0                 | 0                                  | 0                                    |
| (b) Less: Invalid Votes  | 0                   | 0                 | 0                                  | 0                                    |
| (c) Net Valid Votes      | 0                   | 0                 | 0                                  | 0                                    |
| (d) Votes with assent    | 0                   | 0                 | 0                                  | 0                                    |
| (e) Votes with dissent   | 0                   | 0                 | 0                                  | 0                                    |

**RESOLUTION NO. 4.** Approval to raise funds upto ₹500 Cr. through issue of Non-Convertible Debentures on private placement basis

Details of voting through e-voting and postal ballot forms on the resolution are given below in A1 and A2, respectively:

#### **A1. VOTING THROUGH REMOTE E-VOTING:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 73                  | 14,82,14,849      | 1,48,21,48,490                     | 61.26                                |
| (b) Less: Abstained      | 3                   | 12,58,080         | 1,25,80,800                        | 0.52                                 |
| (c) Net Valid Votes      | 70                  | 14,69,56,769      | 1,46,95,67,690                     | 60.74                                |
| (d) Votes with Assent    | 61                  | 11,96,86,235      | 1,19,68,62,350                     | 49.47                                |
| (e) Votes with dissent   | 9                   | 2,72,70,534       | 27,27,05,340                       | 11.27                                |

#### **A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:**

| Particulars              | No of share-Holders | No. of the Shares | Paid-up value of the Shares (In ₹) | % of Total Paid-up Capital (Approx.) |
|--------------------------|---------------------|-------------------|------------------------------------|--------------------------------------|
| (a) Total votes received | 0                   | 0                 | 0                                  | 0                                    |
| (b) Less: Invalid Votes  | 0                   | 0                 | 0                                  | 0                                    |
| (c) Net Valid Votes      | 0                   | 0                 | 0                                  | 0                                    |
| (d) Votes with assent    | 0                   | 0                 | 0                                  | 0                                    |
| (e) Votes with dissent   | 0                   | 0                 | 0                                  | 0                                    |

No Special Resolution requiring Postal Ballot is being proposed to be conducted as on date of this Report.





#### (iv) Unclaimed Shares

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations unclaimed shares i.e. shares issued pursuant to the Public Issues but remaining unclaimed despite of the best efforts of the Registrar to Issue or the Company, such shares and any other corporate benefit related to these shares are required to be transferred to a separate Demat Suspense Account.

Therefore, the Company opened a separate Demat Suspense Account in the name and style of “**Religare Enterprises Limited – IPO Suspense Account**” and the shares lying unclaimed as on that date were transferred to the above said suspense account on July 27, 2009.

The details of such equity shares as on 31<sup>st</sup> March 2019 are as follows:

| S. No. | Description  | Number of Shares / Shareholders |
|--------|--|---------------------------------|
| 1      | Total number of Shareholders in the Suspense Account at the beginning of the year  | 14 Shareholders                 |
| 2      | Total number of outstanding equity shares in the Suspense Account lying at the beginning of the year   | 490 Equity Shares               |
| 3      | Number of Shareholders who approached the Company for transfer of shares and to whom shares were transferred from Suspense Account during the year | 0                               |
| 4      | Number of shares transferred from Suspense Account to Beneficiary Account during the year  | 0                               |
| 5      | Total number of Shareholders in the Suspense Account at the end of the year  | 14 Shareholders                 |
| 6      | Total number of outstanding equity shares in the Suspense Account lying at the end of the year   | 490 Equity Shares               |

Further, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### G. DISCLOSURES

#### (i) Related Party Transactions

All the contract/arrangements/transactions entered into with Related Parties as per the Act and Regulation 23 of the SEBI Listing Regulations during the Financial Year 2018-19 were in ordinary course of business and on an arm's length basis and do not attract provisions of Section 188 of the Act. Further, there was no materially significant related party transaction which required shareholder's approval and was required to be disclosed quarterly along with the compliance report on Corporate Governance.

The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis. Suitable disclosures so required are in accordance with the Indian Accounting Standards (IND-AS) as notified under Section 133 of the Act have been made in notes to the Financial Statements.

Further, the Company has not entered into any transaction of material nature with Promoters, Promoter Group, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, and the Company's long term strategy for investments, profitability, legal requirements, liquidity and capital resources of subsidiaries, associates and group companies.

The Company has formulated a policy on materiality of Related Party Transaction and on dealing with Related Party Transactions. The said Policy is also posted on the website of the company & can be accessed through the link [https://www.religare.com/pdf/Policy\\_for\\_Materiality\\_of\\_Disclosure\\_09082019.pdf](https://www.religare.com/pdf/Policy_for_Materiality_of_Disclosure_09082019.pdf).

As per the SEBI amendments to Regulation 23 of SEBI Listing Regulations, the Company has submitted a report on all related party transaction entered into by the Company on consolidated basis on half yearly periodicity as per the format prescribed in the relevant accounting standards to NSE and BSE within 30 days of publication of the standalone and consolidated Financial Results. The said report has also been posted on the Company's website and can be accessed at <https://www.religare.com/Stock-Exchange-announcements.aspx>.



**(ii) Disclosure of accounting treatment in preparation of Financial Statements**

The Company has adopted Indian Accounting Standard (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 from April 01, 2018 with effective transition date of April 01, 2017. Accordingly, the financial statements for the financial year ended March 31, 2019 together with the comparative reporting period have been prepared in accordance with the recognition and measurement principals as laid down in Ind-AS.

The significant accounting policies which are consistently applied have been set out in the Notes to the financial statements.

**(iii) Management Discussion and Analysis Report**

The Management Discussion and Analysis report forms part of the Annual Report.

**(iv) Details of non-compliance by the Company**

Neither any penalty nor any stricture has been imposed by SEBI or any other Statutory Authority on any matter relating to capital markets, during the last three years except as mentioned herein below:

1. Company had submitted its Audited Financial Results for the Financial Year 2016-17 beyond the stipulated time of sixty days for which both BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) have levied fines amounting ₹ 2,142,841/- and ₹1,933,345/- respectively on the Company as per SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015 which has been paid by the Company.
2. NSE & BSE vide their communications dated June 15, 2018 & June 18, 2018 respectively levied a fine of ₹5,000/- plus applicable taxes each for delayed submission of financial results for the period ended March 31, 2018 by one day. In view of the fact that the meeting of the Board of Directors to consider and approve the Audited Financial Results for the FY 2017-18 held on May 30, 2018 commenced at 10:30 a.m. on May 30, 2018 and ended at 2.30 a.m. on Thursday, May 31, 2018, the Company requested NSE and BSE to waive off the fine imposed on the Company by condoning the marginal delay of approximately three hours in submission of the audited annual financials for FY 18.

NSE vide its letter dated February 04, 2019 waived off the total fine while there is no further communication from BSE on the response submitted by the Company.

3. SEBI has issued a notice dated July 05, 2018 to show cause as to why an inquiry should not be held against it, in terms of Rule 4 of Adjudication Rules, 1995 read with Section 15-I of the SEBI Act, 1992 and why penalty, if any, should not be imposed on it under the provisions of Section 15A(b) of the SEBI Act, 1992 for delay in filing of disclosures in terms of regulation 7(2)(b) of PIT Regulations, 2015 w.r.t. dealing in securities of the Company by Mr. Sunil Godhwani.

In response to the above, the Company has submitted the Settlement Application on August 24, 2018.

SEBI vide Order dated January 17, 2019 has disposed off the Adjudication Proceeding initiated vide above show cause notice. The Company has paid ₹2 Lakhs as consent fees for same.

**(v) Details of Compliance with mandatory requirements**

The Company has complied with all mandatory requirements of SEBI Listing Regulations except as mentioned in the Compliance Certificate issued by M/s Sanjay Grover & Associates, Practicing Company Secretaries.

Compliance Certificate issued by M/s Sanjay Grover & Associates, Practicing Company Secretaries is annexed to this Report.

**(vi) Details of Adoption of Non-Mandatory requirements**

The Company has adopted the non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the SEBI Listing Regulations in following manner.

**i. The Board**

The Chairperson of the Company is Non-Executive Independent Director.

**ii. Shareholders' Rights**

The quarterly results of the Company are published in English newspaper (Financial Express) and a Hindi



newspaper (Jansatta), having wide circulation in Delhi. Further, the quarterly results are also posted on the website of the Company – <https://www.religare.com/Quarterly-Annual-Results.aspx>. In view of the forgoing, the half yearly results of the Company are not sent to the Shareholders individually. The complete copy of the Annual Report is sent to the shareholders of the Company.

**iii. Modified Opinion(s) in Audit Report**

The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company.

However, the Auditors have qualified their reports in the financial year 2016-17, 2017-18 and 2018-19. Management responses on the qualified opinion have been provided in the Directors Report of respective years.

**iv. Reporting of Internal Auditor**

The Internal Auditors of the Company i.e. M/s KPMG reports directly to the Audit Committee of the Company.

**(vii) Whistle-Blower Policy/ Vigil Mechanism**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism in form of Whistle Blower Policy ("Policy or Mechanism") for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information. Policy is applicable to all the Directors of the Company, permanent & contractual employees of the Company based in India or outside, Employees of other agencies deployed for the Company, contractors, vendors, suppliers or agencies (or any of their employees), Customers of the Company and any other person having an association with the Company. Mechanism also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee. The detail of establishment of such Policy/Mechanism is also uploaded on the website of the Company & can be accessed through the link [https://www.religare.com/pdf/Religare\\_Whistle\\_Blower\\_Policy\\_09082019.pdf](https://www.religare.com/pdf/Religare_Whistle_Blower_Policy_09082019.pdf). It is hereby confirmed that during the year under review, no personnel has been denied access to the Audit Committee.

**(viii) CEO/ CFO Certification**

The certificate duly signed by the Group CEO and CFO confirming compliance of Part B of Schedule II of the SEBI Listing Regulations was placed before the Board at its meeting and the same is annexed and forms part of this Annual Report.

**(ix) Code of Conduct**

In compliance with Regulation 17 of the SEBI Listing Regulations, the Company has formulated and adopted a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and the same has been placed on the web-site of the Company i.e. [https://www.religare.com/pdf/REL\\_CodeofConductforBoardMembers\\_May16.pdf](https://www.religare.com/pdf/REL_CodeofConductforBoardMembers_May16.pdf) and [https://www.religare.com/pdf/Code\\_of\\_Conduct\\_for\\_Senior\\_Management\\_Personnel\\_02042019.pdf](https://www.religare.com/pdf/Code_of_Conduct_for_Senior_Management_Personnel_02042019.pdf) respectively. The Code of Conduct inter-alia includes the duties of the Independent Directors as prescribed under the Act. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2019.

A declaration to this effect, duly signed by Group CEO, is annexed and forms part of this Annual Report.

**(x) Procedures for fair disclosure of Unpublished Price Sensitive Information and Prevention of Insider Trading**

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") and Code of Conduct for Prevention of Insider Trading ("Insider Code") with a view to deal with Unpublished Price Sensitive Information and trading in securities by Directors, employees of the Company, Designated Persons and Connected Persons. The Company Secretary is Compliance Officer for the purpose of Insider Code. Mr. Gurvinder Singh Juneja is the Chief Investor Relations Officer for the purposes of Fair Disclosure Code. Both the Fair Practice Code and Insider Code have been posted on the website of the Company i.e. [https://www.religare.com/pdf/Code\\_of\\_Practices\\_and\\_Procedures\\_for\\_Fair\\_Disclosure\\_of\\_Price\\_Sensitive\\_Information\\_02042019.pdf](https://www.religare.com/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Price_Sensitive_Information_02042019.pdf) and [https://www.religare.com/pdf/Code\\_of\\_Conduct\\_for\\_Prevention\\_of\\_Insider\\_Trading\\_02042019.pdf](https://www.religare.com/pdf/Code_of_Conduct_for_Prevention_of_Insider_Trading_02042019.pdf).



**(xi) Risk Management Framework**

The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews through Risk Management Committee to ensure that critical risks are controlled by the management. The details of the Risk Management Committee are provided elsewhere in this Report and details of Risk Management Framework are provided in Director's Report.

**(xii) Compliance with Corporate Governance Requirements**

During the financial year 2018-19, the Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub regulation (2) of Regulation 46 of the SEBI Listing Regulations except as mentioned in the Compliance Certificate issued by M/s Sanjay Grover & Associates, Practicing Company Secretaries.

**(xiii) Dividend Distribution Policy:**

In pursuant to introduction of Regulation 43A of the SEBI Listing Regulations, the Company had adopted a Dividend Policy on October 26, 2016 which defines the financial parameters and factors that were considered for declaration and payment of dividend to its shareholders. The declaration and distribution of dividends, whether interim or final, will, at all times, be in accordance with the Act and SEBI Listing Regulations, such other applicable laws and Article of Association of the Company as amended.

The Dividend Policy of the Company is posted on the website of the Company i.e. [https://www.religare.com/pdf/Rel\\_Dividend\\_PolicyNov2016.pdf](https://www.religare.com/pdf/Rel_Dividend_PolicyNov2016.pdf). There has been no change in the said Policy for the Financial Year ended March 31, 2019. However, it may please be noted that the Company does not fall in the list of top five hundred listed entities based on market capitalization as on March 31, 2019. Further, RBI vide its letter dated April 5, 2019 has advised the Company to stop paying dividends till further orders from the RBI.

**(xiv) Details of utilisation of fund raised through Preferential Allotment of convertible warrants**

During the year ended March 31, 2019, the Company had allotted 111,497,914 convertible warrants of ₹52.30/- per warrant on April 19, 2018 in accordance to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended thereto. Out of same 38,487,485 warrants were converted into equity shares during the year FY 19 and balance 73,010,429 warrants (partly paid) are remaining for conversion as on date of this Report.

The Company had fully utilized the funds received from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 of Extra-Ordinary General Meeting sent to shareholders of the Company. There are no unutilized funds under the same as on March 31, 2019. The details of utilization of funds have been provided in the Financial Statements. The Audit Committee of the Company reviews the statement of utilization of funds.

**(xv) Business Responsibility Report**

Since, the Company does not fall in the list of top five hundred listed entities based on market capitalization as on March 31, 2019, the Business Responsibility Report does not form part of the Annual Report.

**H. SUBSIDIARY COMPANIES**

Till March 31, 2019, material subsidiaries were meant to cover the subsidiaries whose income or networth exceeds 20% of the consolidated income or networth respectively. Accordingly, for the period under review i.e. FY 2018-19, Religare Finvest Limited (*on the basis of turnover as well as net worth*) and Religare Health Insurance Company Limited (*on the basis of turnover*) were 'material non-listed Indian subsidiaries' as defined under Regulation 24 of the SEBI Listing Regulations

However, SEBI amended the Regulation 16(1)(c) of the SEBI Listing Regulations with reference to the definition of "material subsidiary" widening the ambit to include those subsidiaries of Listed Entity whose income or net-worth exceeds 10% of the consolidated income or net-worth respectively w.e.f April 1, 2019.

In the foregoing, the Company has updated the policy for determining 'material' subsidiaries in terms of SEBI Listing Regulations and such policy is uploaded on the Company's website and can be accessed through the link [https://www.religare.com/pdf/Subsidiaries\\_Policy\\_02042019.pdf](https://www.religare.com/pdf/Subsidiaries_Policy_02042019.pdf)

As a holding company, the performance of subsidiaries is monitored by the following means:



- The Audit committee / Board of the Company quarterly reviews the financial statements of the unlisted subsidiary companies, in particular the investments made by these companies.
- Minutes of Board meetings of the unlisted subsidiary companies are placed before the Board meeting of the Company periodically.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed at the Board meeting of the Company periodically.
- Secretarial audit is now being carried out by all material unlisted Indian subsidiaries of the Company by Company Secretary in whole time practice.

## I. MEANS OF COMMUNICATION

In accordance to Regulation 46 of SEBI Listing Regulations, the Company has maintained a functional website at [www.religare.com](http://www.religare.com). The Company's quarterly (un-audited) and annual financial results (audited) are submitted to the Stock Exchanges immediately after these are approved by the Board in accordance with the requirements of the SEBI Listing Regulations. The Annual Report of the Company, the quarterly and the annual results of the Company are also placed on the Company's website and can be accessed at <https://www.religare.com/Quarterly-Annual-Results.aspx> and can further be downloaded. These financial results are generally published in one of the leading newspapers of country that is Financial Express in English and Jansatta in Hindi and are displayed on the website of the Company i.e. <https://www.religare.com/Newspaper-Advertisements.aspx>.

Official news releases and official press releases are sent to NSE and BSE before sending the same to media and are also displayed on the Company's website i.e. <https://www.religare.com/Stock-Exchange-announcements.aspx>.

There is a separate dedicated section under "Investors Relations" on the Company's website i.e. [www.religare.com](http://www.religare.com) which gives information on unclaimed dividends, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public. The presentations made to the Investors are available on the website.

All the corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal i.e. BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NSE Electronic Application Processing System (NEAPS) portal. The Stock Exchange filings are also made available on the website of the Company and can be accessed at <https://www.religare.com/Stock-Exchange-announcements.aspx>.

The Company has designated an e-mail ID called [investorservices@religare.com](mailto:investorservices@religare.com) exclusively for redressal of Shareholders/Investors complaints / grievances. Shareholders may also contact Company's Registrar and Transfer Agent, Karvy Fintech Private Limited to report any grievance. Contact details of the RTA are available in the "Investor Contact" section available at <https://www.religare.com/investor-contacts.aspx>.

## J. SHAREHOLDERS INFORMATION

### (i) Annual General Meeting

Date : Thursday, September 26, 2019  
Time : 04.00 P.M  
Venue : Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003

### (ii) Financial Calendar (tentative)

The financial year covers the period starting from 1<sup>st</sup> April and ending on 31<sup>st</sup> March.

Adoption of Quarterly Results

#### For the Quarter ended on or before (tentative)

|                    |   |
|--------------------|---|
| June 30, 2019      | August 08, 2019 (Subject to Limited Review)   |
| September 30, 2019 | November 14, 2019 (Subject to Limited Review) |
| December 31, 2019  | February 14, 2020 (Subject to Limited Review) |
| March 31, 2020     | May 30, 2020 (Audited)                        |



**(iii) Dividend Payment Date**

The Company has not recommended/ paid any dividend for the period under review.

**(iv) Listing on Stock Exchanges**

Equity Shares of the Company are currently listed on the following Stock Exchanges:

**I. BSE Limited (BSE)**

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001;

**II. National Stock Exchange of India Limited (NSE)**

Address: "Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) are the depositories for the equity shares of the Company.

The Annual Listing Fees for the year 2018-19 and 2019-20 have been paid by the Company to both NSE and BSE where the Company's equity shares are listed. The equity shares of the Company have not been suspended from trading on the Stock Exchanges or by any Regulatory/Statutory Authority.

**Payment of Depository Fees**

Annual Custody/Issuer fee for the year 2019-20 has been paid by the Company to CDSL and NSDL.

**(v) Scrip Symbol / Code**

**NSE**

RELIGARE

**BSE**

532915

**Corporate Identification Number (CIN)**

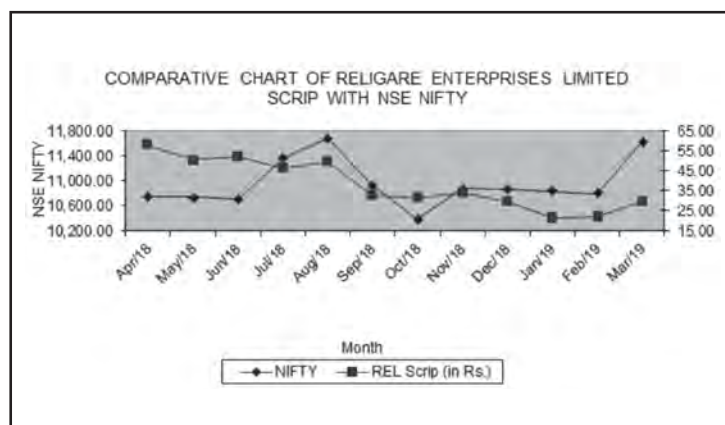
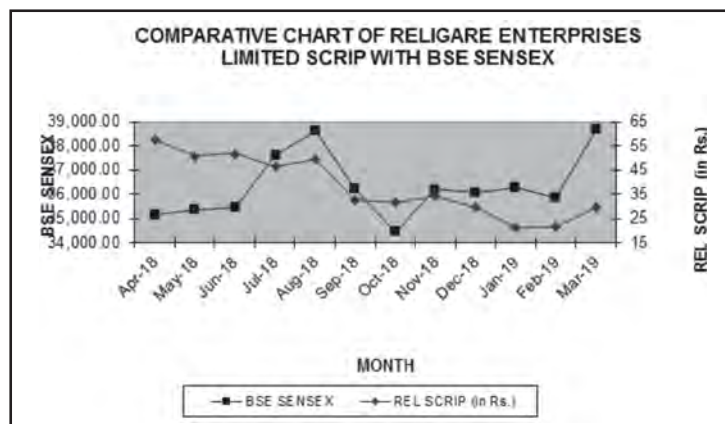
L74899DL1984PLC146935

**(vi) Market Price Data**

In ₹

| Month          | Bombay Stock Exchange (BSE) |       |                                 | National Stock Exchange (NSE) |       |                                 |
|----------------|-----------------------------|-------|---------------------------------|-------------------------------|-------|---------------------------------|
|                | High                        | Low   | Volume<br>(Number of<br>Shares) | High                          | Low   | Volume<br>(Number of<br>Shares) |
| April 2018     | 61.65                       | 51.50 | 76,43,717                       | 61.65                         | 51.50 | 3,12,05,640                     |
| May 2018       | 58.65                       | 48.00 | 26,37,105                       | 58.70                         | 47.80 | 1,18,44,721                     |
| June 2018      | 54.30                       | 43.65 | 18,46,024                       | 54.30                         | 43.10 | 80,33,331                       |
| July 2018      | 53.50                       | 42.50 | 26,84,128                       | 53.50                         | 42.65 | 99,35,386                       |
| August 2018    | 53.75                       | 44.50 | 16,00,671                       | 53.75                         | 44.30 | 92,99,799                       |
| September 2018 | 49.75                       | 31.85 | 14,50,481                       | 50.40                         | 31.80 | 94,11,045                       |
| October 2018   | 41.00                       | 30.30 | 17,26,477                       | 38.90                         | 30.00 | 82,42,555                       |
| November 2018  | 36.60                       | 28.50 | 5,16,954                        | 36.50                         | 30.75 | 52,13,139                       |
| December 2018  | 35.00                       | 28.50 | 4,36,108                        | 35.00                         | 29.05 | 29,59,882                       |
| January 2019   | 31.00                       | 21.20 | 11,65,156                       | 30.85                         | 21.30 | 40,61,206                       |
| February 2019  | 22.30                       | 17.05 | 8,15,493                        | 22.40                         | 16.90 | 46,01,759                       |
| March 2019     | 32.40                       | 22.20 | 15,85,570                       | 32.50                         | 22.00 | 88,47,417                       |





**(vii) Registrar & Transfer Agent (RTA)**

**Karvy Fintech Private Limited (KCPL)**

*(formerly known as KCPL Advisory Services Private Limited)*

Address: Karvy Selenium Tower B,  
Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500032

Telephone: +91 40 4465 5000, Fax: +91 40 2342 0814

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

Website: [www.karvyfintech.com](http://www.karvyfintech.com)

**(viii) Share Transfer System**

The Company has appointed Karvy Fintech Private Limited ("KCPL") (formerly known as KCPL Advisory Services Private Limited) as the Registrar and Share Transfer Agent. The Company's Equity share being in compulsory Demat list, are transferable through the depository system. However, shares in the physical form were processed by the Registrar & Transfer Agent and approved by the Stakeholders Relationship Committee of the Company. The Board has delegated its authority for approving transfer, transmission and so on of the Company's securities to the Stakeholders Relationship Committee. The share transfer process is reviewed by the said Committee.

Further, SEBI vide its circular dated 20th April, 2018, has mandated to submit the PAN and Bank Account details by all shareholders to the Registrar and Transfer Agent of the Company. In this regard, the Company, through its Registrar and Transfer Agent has already sent three notices to the shareholders for submission of their PAN and Bank Account details for registration / updation. Furthermore, the RTA is required to submit to the Company on quarterly basis soft copy of the Members data at end of each quarter of every financial year and SEBI further mandates that the RTA and the Company shall maintain these records on permanent basis.





SEBI has amended Regulation 40 of SEBI Listing Regulations vide its circular dated June 08, 2018 wherein it was intimated that except for transmission or transposition of securities, transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from December 5, 2018. SEBI further extended the deadline for transfer of securities only in Demat Mode effective from April 01, 2019. Therefore SEBI mandates to hold shares in Demat form with a depository for investors keen to trade them post April 01, 2019. Therefore the shareholders of the Company are requested to get their physical shares dematerialised for any further transfers.

As per the provisions of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or Registrar of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the certificate simultaneously with the Stock Exchanges under Regulation 40(10) of the SEBI Listing Regulations.

**(ix) Shareholding Pattern as on March 31, 2019**

|            | Category  | No. of Shares held | Percentage of Shareholding (%) |
|------------|---|--------------------|--------------------------------|
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group<sup>1</sup></b>                          |                    |                                |
| 1          | Indian  | 2,266,704          | 1.04                           |
| 2          | Foreign   | 50                 | 0.00                           |
|            | <b>Total Shareholding of Promoter and Promoter Group</b>                                | <b>2,266,754</b>   | <b>1.04</b>                    |
| <b>(B)</b> | <b>Public Shareholding<sup>2</sup></b>  |                    |                                |
| 1          | Institutions  |                    |                                |
|            | Mutual Funds/Trusts   | 95                 | 0.00                           |
|            | Financial Institutions/Banks  | 18,859,465         | 8.69                           |
|            | Foreign Portfolio Investors   | 46,510,057         | 21.44                          |
| 2          | Non-institutions  |                    |                                |
|            | Bodies Corporate  | 63,292,755         | 29.17                          |
|            | NBFC's  | 25,726             | 0.01                           |
|            | Indian Public and Others  | 85,987,881         | 39.64                          |
|            | <b>Total Public Shareholding</b>  | <b>214,675,979</b> | <b>98.96</b>                   |
| <b>(C)</b> | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |                    |                                |
| 1          | Promoter and Promoter Group   | NIL                | NIL                            |
| 2          | Public  | NIL                | NIL                            |
|            | <b>TOTAL (A) + (B) + (C)</b>  | <b>216,942,733</b> | <b>100.00</b>                  |

<sup>1</sup>For definitions of "Promoter" and "Promoter Group" refer to Regulation 2(w) of SEBI Listing Regulations.

<sup>2</sup>For definition of "Public Shareholding", refer to Regulation 2(y) of the SEBI Listing Regulations.

**Re-classification of Promoters and Promoter Group:**

During the year 2018-19, the Company received request from the existing Promoters and Promoter Group to re-classify them from Promoters and Promoter Group category to the Public Shareholders Category vide their letters dated June 07, 2018 and August 08, 2018.

Accordingly, the Board of the Company approved the request and sought approval of shareholders on the matter by way of postal ballot. The shareholders of the Company approved the matter through postal ballot on October 17, 2018 with requisite majority, results of which were declared on October 18, 2018. Further, the Company submitted the application for re-classification of Promoters and Promoter group into Public Shareholders category



with the stock exchanges in January 2019. In the matter, the Company has also submitted the application with the SEBI in April 2019 seeking relaxation of one of the conditions under the erstwhile Regulation 31A(6)(i) of SEBI Listing Regulations. The reply from the exchanges and SEBI is awaited on the matter.

#### **Voting Rights accrued on the preference Share Capital**

The Company has two types of Preference shares issued to the Promoter group companies outstanding as on date comprising 15 lakh 13.66% Cumulative Non-Convertible Redeemable Preference Shares of ₹10/- each issued in 2008 (2008 Preference Shares) and 2.5 crore 0.01% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹10/- each issued in 2016 (2016 Preference Shares).

Due to non-payment of dividend by the Company continuously for two years on 2016 Preference Shares, the holder of these shares has become entitled for voting rights of approx. 10% on the total voting capital of the Company.

However, the Company has filed the petition before the Hon'ble National Company Law Tribunal, New Delhi Bench on June 14, 2019 seeking rectification of Register of Members of the Company by cancellation of 2016 Preference Shares and any other appropriate reliefs, including interim relief with respect to freezing of voting rights and dividend rights attached to the said 2016 Preference Shares.

The said application / petition were filed by the Company basis certain facts discovered by the new Management relating to irregularity / illegality in issuance of said Preference Shares.

#### **List of Public Shareholders holding more than 1% shareholding of the Company as on March 31, 2019**

| <b>Sr. No.</b> | <b>Name of the shareholder</b>   | <b>No. of Shares held</b> | <b>Percentage of Shareholding (%)</b> |
|----------------|--|---------------------------|---------------------------------------|
| 1              | India Horizon Fund Ltd   | 17,838,467                | 8.22                                  |
| 2              | Resilient India Growth Fund  | 17,638,579                | 8.13                                  |
| 3              | Axis Bank Limited  | 16,108,794                | 7.42                                  |
| 4              | WinSure Trade Invest Private Limited and Rock Builders and Developers Private Limited* | 12,882,106                | 5.94                                  |
| 5              | International Finance Corporation  | 12,818,331                | 5.91                                  |
| 6              | Puran Associates Private Limited   | 8,476,739                 | 3.91                                  |
| 7              | DilipKumar Lakhi   | 6,723,861                 | 3.1                                   |
| 8              | Naina Mahesh Buxani  | 6,316,584                 | 2.91                                  |
| 9              | Quick Trading and Investment Advisors LLP  | 5,151,429                 | 2.38                                  |
| 10             | Milky Investment and Trading Company   | 4,780,112                 | 2.20                                  |
| 11             | Girdharilal V Lakhivandana G Lakhi   | 4,543,090                 | 2.09                                  |
| 12             | IL And FS Securities Services Limited  | 4,487,562                 | 2.10                                  |
| 13             | Manish Lakhi   | 3,945,818                 | 1.82                                  |
| 14             | CB Green Ventures Pte Limited  | 3,841,875                 | 1.77                                  |
| 15             | Hunt International Investment LLC  | 3,737,742                 | 1.72                                  |
| 16             | Mahesh Udhav Buxani  | 3,408,441                 | 1.57                                  |
| 17             | M B Finmart Private Limited  | 3,344,214                 | 1.54                                  |
| 18             | ARCH Finance Limited   | 3,244,500                 | 1.49                                  |
| 19             | Olumpus Trading and Advisory LLP   | 2,198,299                 | 1.01                                  |
|                | <b>TOTAL :</b>   | <b>141,486,543</b>        | <b>65.22</b>                          |

*\*on behalf of Chandrakanta Enterprise*



(x) **Distribution of Shareholding as on March 31, 2019**

| S No | Category       | No. of Cases  | % of Cases    | Shares             | % of Amount   |
|------|----------------|---------------|---------------|--------------------|---------------|
| 1    | 1-5000         | 37,939        | 84.15         | 3,952,678          | 1.82          |
| 2    | 5001-10000     | 3,042         | 6.75          | 2,580,572          | 1.19          |
| 3    | 10001- 20000   | 1,710         | 3.79          | 2,739,001          | 1.26          |
| 4    | 20001- 30000   | 609           | 1.35          | 1,594,971          | 0.73          |
| 5    | 30001- 40000   | 308           | 0.68          | 1,125,979          | 0.51          |
| 6    | 40001- 50000   | 354           | 0.79          | 1,712,297          | 0.78          |
| 7    | 50001- 100000  | 485           | 1.08          | 3,834,272          | 1.76          |
| 8    | 100001 & Above | 640           | 1.42          | 199,402,963        | 91.91         |
|      | <b>Total</b>   | <b>45,087</b> | <b>100.00</b> | <b>216,942,733</b> | <b>100.00</b> |

(xi) **Dematerialization of Shares and Liquidity**

The Company's Equity Shares are in compulsory demat segment and are available for trading under dematerialized form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2019, 216,933,233 Equity Shares of the Company, forming 99.99% of the total issued and paid up Equity Share Capital of the Company, were in dematerialized form.

**The ISIN allotted to Equity Shares of the Company is INE621H01010** (with NSDL and CDSL).

(xii) **Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any other Convertible instruments, conversion date and likely impact on equity**

Details of outstanding Stock Options are being uploaded on the website of the Company and same can be accessed through web link <https://www.religare.com/Employee-Stock-Option-Schemes.aspx>

In pursuant to Special Resolution passed by the shareholders of the Company on March 19, 2018, the Company allotted 111,497,914 convertible warrants at offer price of ₹52.30/- each to various investors on April 19, 2018, exercisable into equal number of Equity Shares of the Company. Further, the Company allotted equity shares to certain warrant holders upon exercise of their rights on conversion of warrants as per details provided elsewhere in Annual Report.

Details of Outstanding convertible warrants and its likely impact on paid up equity share capital of the Company are as below:

| S. No.                                | Date of Conversion of Warrants into Equity Shares | Number of Warrants Converted into Equity Shares | Paid up Equity Share Capital post Conversion of Warrants (Shares) |
|---------------------------------------|---|---|---|
| 1                                     | May 29, 2018                                      | 3,824,091                                       | 182,279,339   |
| 2                                     | June 29, 2018                                     | 454,556   | 182,733,895   |
| 3                                     | July 26, 2018                                     | 12,746,974                                      | 195,480,869   |
| 4                                     | July 30, 2018                                     | 1,800,000                                       | 197,280,869   |
| 5                                     | August 27, 2018                                   | 9,163,083                                       | 206,443,952   |
| 6                                     | August 30, 2018                                   | 2,200,000                                       | 208,643,952   |
| 7                                     | September 04, 2018                                | 3,824,084                                       | 212,468,036   |
| 8                                     | September 14, 2018                                | 4,474,697                                       | 216,942,733   |
| Total Warrants converted till date    |   | <b>38,487,485</b>                               | -   |
| Total warrants pending for conversion |   | <b>73,010,429</b>                               | <b>289,953,162</b>  |

The total number of warrants which were converted into equity shares of the Company during the financial year 2018-19 has been admitted on the equity segment for trading on NSE and BSE. Total number of outstanding convertible warrants as on March 31, 2019 is 7,30,10,429. Further, in pursuant to the SEBI (Issue of Capital and



Disclosure Requirements) Regulations, 2018, the convertible warrants are required to be converted into Equity Shares within 18 months from the date of allotment of warrants. Therefore, post conversion of total number of convertible warrants i.e. 111,497,914 into equity shares by prescribed timeline till October 18, 2019 (i.e. 18 months from date of allotment of convertible warrants April 19, 2018) the total paid up equity share capital of the Company (assuming full conversion of outstanding 7,30,10,429 convertible warrants) shall be. 28,99,53,162 equity shares . If the warrant holders do not pay balance 75% amount for conversion of outstanding warrants within 18 months from date of allotment of convertible warrants then 25% amount paid by them on the date of allotment of convertible warrants shall be forfeited.

The Company had fully utilized the funds received from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 of the Extra-Ordinary General Meeting sent to shareholders of the Company. There were no unutilized funds under the same as on March 31, 2019.

Other than above, the Company has no outstanding ADR/GDR, options or rights to convert debentures, loans or other instruments into the Equity Shares as on March 31, 2019.

**(xiii) Plant Locations:** Not Applicable.

**(xiv) Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in any commodity risk or foreign exchange or hedging activities and hence is not directly exposed to any commodity price risk.

**(xv) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124 and Section 125 of the Act, and pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend, if not claimed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, is liable to be transferred to Investor Education and Protection Fund (IEPF). Further there is nil unpaid and unclaimed amounts lying with the Company as on September 20, 2018 (date of last Annual General Meeting).

**(xvi) Address for Correspondence with the Company**

**i. Details of Compliance Officer**

Ms. Reena Jayara

Company Secretary

Plot No.A-3/4/5, Prius Global Tower 'A', Sector-125, Noida -201301

E-mail: [investorservices@religare.com](mailto:investorservices@religare.com)

**ii. For Securities held in Physical form**

**Karvy Fintech Private Limited (Registrar & Share Transfer Agent)**

*(formerly known as KCPL Advisory Services Private Limited)*

Address: Karvy Selenium Tower B,

Plot 31-32, Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500032

Telephone: +91 40 4465 5000, Fax: +91 40 2342 0814

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

Website: [www.karvyfintech.com](http://www.karvyfintech.com)

**iii. For Securities held in Demat form**

To the Investors' Depository Participant (s) and/or Karvy Fintech Private Limited

**iv. For retail investors**

E-mail: [investorservices@religare.com](mailto:investorservices@religare.com) and / or [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**v. For institutional investors' / analysts' queries**

E-mail: [investorrelations@religare.com](mailto:investorrelations@religare.com)



**(xvii) Credit Rating and Change /Revision in Credit Rating of the Company during the Financial Year 2018-19**

Details of the credit rating along with the revision are mentioned hereunder:

| Sr. No. | Debt Instruments                                  | Amount (In million) | Rating Action   |
|---------|---|---------------------|---|
| 1.      | Senior secured Non-Convertible Debentures (NCDs), | ₹ 1,760             | Early rating of "IND BBB-/RWN" has been withdrawn (paid in full) on November 05, 2018   |
| 2.      | Short Term Debt (Commercial Papers)               | ₹ 500               | Rating revised from "IND A3/RWN" to "Ind A4+/RWN" on November 05, 2018<br>Rating of "Ind-A4+/RWN" has been withdrawn (paid in full) on January 28, 2019 |

**(xviii) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the details of the cases reported during the Financial Year 2018-19 are mentioned hereunder:

| Particulars  | Financial Year 2018-19 |
|--|------------------------|
| Number of cases in the beginning of the F.Y.                       | Nil                    |
| Number of cases reported during the F.Y.                           | Nil                    |
| Number of cases disposed during the F.Y.                           | Nil                    |
| Number of cases remaining unresolved/pending as at the end of F.Y. | Nil                    |

**(xix) Certificate from Company Secretary in Practice for Non-disqualification of Directors**

Mr. Ankush Agarwal of M/s. MAKS & Co, Practicing Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory. The said Certificate forms part of this Annual Report.

**(xx) Total Fees for all Services paid by the Company and its Subsidiaries on consolidated basis to Statutory Auditors and all entities in the Network Firm/Network Entity of which the Statutory Auditor is a part**

During the year under review the total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditors are as follows:

(Rs in Lakhs)

| Particulars  | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|--|-----------------------------------|-----------------------------------|
| As Auditor:  |                                   |                                   |
| Audit Fees   | 96.84                             | 88.30                             |
| Tax Audit Fees   | 9.05                              | 7.77                              |
| In other Capacity:   |                                   |                                   |
| Fees For Other Services (Primarily include certification services) | 15.74                             | 16.75                             |
| For Reimbursement of Expenses                                      | 8.12                              | 20.94                             |
| <b>Total</b>   | <b>129.75</b>                     | <b>133.76</b>                     |



### **CEO /CFO CERTIFICATION**

We, Milind Narendra Patel, Group CEO and Gurvinder Singh Juneja, CFO of Religare Enterprises Limited (the Company) hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any - fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) there has not been any significant changes in internal control over financial reporting during the year under reference;
  - (2) there has not been any significant changes in accounting policies during the year under review; and
  - (3) there has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

|                            |   |  |
|----------------------------|---|--|
| <b>Place :</b> New Delhi   | Sd/-<br><b>Milind Narendra Patel</b><br>(Group CEO) | Sd/-<br><b>Gurvinder Singh Juneja</b><br>(CFO) |
| <b>Date :</b> May 23, 2019 |   |  |

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### **DECLARATION BY CEO**

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company viz. [www.religare.com](http://www.religare.com).

It is further certified that the Directors and Senior Management have affirmed their compliance with the Code for the year ended 31<sup>st</sup> March, 2019.

|                            |   |
|----------------------------|---|
| <b>Place :</b> New Delhi   | Sd/-                                      |
| <b>Date :</b> May 14, 2019 | <b>Milind Narendra Patel</b><br>Group CEO |



## **CORPORATE GOVERNANCE CERTIFICATE**

**To**  
**The Members**  
**Religare Enterprises Limited**

We have examined the compliance of conditions of Corporate Governance by **Religare Enterprises Limited** ("the Company"), for the financial year ended March 31, 2019 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations except the following:

- *During the reporting period the Company entered into one of the related party transactions in relation to expenses reimbursement for the common shared services to Religare Finvest Limited (Subsidiary Company) without obtaining prior approval from Audit Committee as required under Regulation 23 of SEBI (Listing obligations and Disclosure Requirements), 2015. However, the said transaction was subsequently ratified by the Audit Committee at its meeting held on September 06, 2018.*
- *The performance evaluation of the Board members was not done in F.Y. 2018-19, however, as explained by the company the performance evaluation was initiated during the year but same could not be completed as the majority of the Board members were newly appointed directors at the time of evaluation.*

We 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.

For **Sanjay Grover & Associates**  
**Company Secretaries**  
Firm Registration No.: **P2001DE052900**

**Sd/-**  
**Sanjay Grover**  
**Managing Partner**  
**C.P. No.: 3850**

**Date** : July 30, 2019  
**Place** : New Delhi





## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members,  
**Religare Enterprises Limited**  
Regd. Office: 2nd floor, Rajlok Building, 24,  
Nehru Place, New Delhi - 110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Religare Enterprises Limited, having CIN L74899DL1984PLC146935 and having registered office at 2nd floor, Rajlok Building, 24, Nehru Place, New Delhi - 110019, (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| S. No. | Name of Director               | DIN      | Date of Appointment in Company |
|--------|--------------------------------|----------|--------------------------------|
| 1      | Ms. Sabina Vaisoha             | 00207306 | 04/10/2017                     |
| 2      | Mr. Sushil Chandra Tripathi    | 00941922 | 01/08/2018                     |
| 3      | Ms. Rashmi Saluja              | 01715298 | 20/12/2018                     |
| 4      | Ms. Vijayalakshmi Rajaram Iyer | 05242960 | 08/05/2018                     |
| 5      | Mr. Malay Kumar Sinha          | 08140223 | 28/05/2018                     |

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

**For M/s. MAKS & Co.,**  
**Company Secretaries**  
**[FRN P2018UP067700]**

**Sd/-**  
**Ankush Agarwal**  
**Partner**  
**Membership No.: F9719**  
**Certificate of Practice: 14486**

**Date:** July 10, 2019  
**Place:** Noida



# **CONSOLIDATED**

## FINANCIALS





## TO THE MEMBERS OF RELIGARE ENTERPRISES LIMITED

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Qualified Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **RELIGARE ENTERPRISES LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiaries and jointly controlled entity (the Holding Company and its subsidiaries together referred to as "the Group") which comprises the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting and other explanatory information (hereinafter referred to as "consolidated Ind AS 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 as stated in basis of qualified opinion of our report and based on the consideration of the reports of the other auditors on separate financial statements of such subsidiaries and jointly controlled entity as were audited by other auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2019, of consolidated loss (including Other Comprehensive Income), consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Qualified Opinion

Attention is invited to Note No 47(a)(III) of the consolidated Ind AS financial statements relating to pending REL's application with Hon'ble High Court of Delhi for staying the redemption of 1,500,000 non-convertible preference shares of the Company held by Oscar Investments Limited, Promoter's Group Company and due on 31st Oct. 2018 with an approx. redemption value of Rs. 4,190.28 lakhs. Pending the outcome of the application, we are unable to comment the likely implication on the financial statements.

The Basis of Qualification given in Auditors Report of subsidiary companies is reproduced here under:

#### Religare Finvest Limited ("RFL")

1. We refer to -

- (i) Our modified audit report dated May 30, 2018 (first audit carried out by us) on accounts for the financial year ended March 31, 2018 and;
- (ii) Our subsequent report to Ministry of Company Affairs under section 143(12) (wherein we also stated that we do not have access to the intermediate borrowing companies) and;
- (iii) The subsequent forensic report summarized in SEBI order dated March 14, 2019:

and in the above context, we state as under:

- (a) Adjustment of fixed deposits of Rs. 79,145 lakhs (excluding Rs. 2,703.39 lakhs interest accrued & due till the date of original maturity i.e. July 20, 2018) with and by the Lakshmi Villas Bank (LVB) against the loans given to promoter group companies in the previous year continued to be under litigation at Hon'ble High Court for declaration and recovery. Pending disposal of the case, we are unable to comment on the status of recoverability and classification of the reported balance. Refer Note no. 5.2 of consolidated Ind AS financial Statements.
- (b)
  - (i) Loans given to certain companies appearing in Corporate Loan Book (CLB portfolio) aggregating to Rs. 203,670 lakhs as on March 31, 2019 (substantially these loans were given upto the period March 31, 2017, when we were not the auditors. Loans, so provided including given in financial year ending March 31, 2018 have been reported by us under section 143(12) of the Companies Act, 2013 as referred in point 3(ii) above) {expected credit loss (ECL) fully provided for; no further loans have been given during the financial year ended on March 31, 2019} and proceedings launched by the company (RFL) against these companies continued to be under Insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Delhi. Most of these proceedings are stayed by the Hon'ble Supreme Court in its order dated April 5, 2019 in case of M/s Daiichi Sankyo Company Limited Versus Oscar Investments Limited & Ors. Refer Note no. 7.2 of consolidated Ind AS financial Statements.
  - (ii) Further, the company (RFL) has subscribed to Non-Convertible Debentures of a corporate entity of Rs. 20,000 lakhs in December 2016 (Impairment of Rs. 13,004.70 lakhs considered till March 31, 2019) and



extended loan of Rs 5,000 lakhs (ECL fully provided) to one of the corporate. Due to default in making repayment of NCD/loan to the Company, it has filed the cases against both the parties under Insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Kolkata. Refer Note no. 7.2 of consolidated Ind AS financial Statements.

Considering the pending decision of Hon'ble Supreme Court of India, Hon'ble NCLT Delhi and Hon'ble NCLT, Kolkata, we are unable to comment on adequacy of provision, any additional financial and legal implications on the financial statements of the company.

2. During the year, some of the lenders have increased interest rates mainly due to downgrade in External Credit rating (ECR) of the Company (RFL). The Company has protested for such increase in the interest rate and has not serviced increased interest rate. Further, Company has not made the provision of increased amount of Interest amounting to Rs. 2,898.47 lakhs, but the Company shown the same as contingent liability in the financial statement. As informed, company is in the process of getting approval from respective banks for restoring the original interest rates. Had the provision of the same is made in the books of accounts then losses for the year would have increased by Rs. 2,898.47 lakhs.

#### **Religare Housing Development Finance Corporation Limited ("RHDFC")**

3. We draw attention to note 48(g)(ii) of consolidated Ind AS financial statements statement in relation to transaction with RARC 059 (RHDFC HL) Trust (special purpose vehicle) wherein GNPA of Rs. 3038.13 lakhs were sold for a value of Rs. 2278.60 lakhs & Trust has issued security receipts (SR) in the ratio of 85:15. As informed by company (RHDFC), based on the legal opinion obtained it was a true sale. Considering that Company has de-recognized NPA loan receivables and has recognized security receipts as investments in the books of accounts. As per Ind AS-109, derecognition of financial assets shall take place only if substantial risk and reward has been transferred. However, in the referred transaction of security receipts, the company may remain exposed to substantial risk of return.

Had these NPA loan receivables not been derecognized classification of loans into investments would not have changed and profit for the year would have decreased by Rs. 96.78 lakhs.

4. During the year ended March 31, 2019, some of the lenders have increased interest rates mainly due to downgrade in External Credit rating (ECR). The Company (RHDFC) has protested for such increase in the interest rate and has not serviced increased interest rate. Further, Company has not made the provision of increased amount of Interest amounting to Rs. 228.90 lakhs, but the Company shown the same as contingent liability in the financial statement. As informed, company is in the process of getting approval from respective banks for restoring the original interest rates. Had the provision of the same been made in the books of accounts, then profit for the year would decrease by Rs. 228.90 Lakhs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements section of our report. We are independent of the Group and jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Emphasis of Matter**

Attention is invited to Note No – 47(a)(II) of the consolidated Ind AS financial statements with respect to the appeal filed with Hon'ble Debt Recovery Appellate Tribunal against dismissal of application filed by the company for vacation of stay dated Mar 21, 2018 qua the company and deletion of Company's name from the legal proceedings between Axis Bank & Religare Capital Markets International (Mauritius) Limited (i.e. RCMIML), wherein the company had issued the non-disposal undertaking( i.e. NDU) with respect to the shares of Religare Health Insurance Company Limited (i.e. RHICL) for a standby letter of credit facility availed by RCMIML from Axis Bank (claimed amount of Rs 31,293 lakhs). The management has represented that it has been legally advised that the said NDU does not contemplate any payment/ repayment obligations on the company in case of any default on the part of RCMIML. We have relied on the representation of the management.

Attention is invited to note no 2.2(C) of consolidated Ind AS financial statements in relation to non-consolidation of financials of Religare Capital Markets Limited, subsidiary of the Company, based on management assessment of non-existence of control through voting rights and existence of significant restrictive covenants on major decision making at RCML have been imposed by the holder of the preference shares, we have relied on the management representation.

The Emphasis of Matter given in Auditors Report of subsidiary companies is reproduced here under:



## **Religare Finvest Limited ("RFL")**

1. We refer to our modified audit report dated May 30, 2018 on audited annual accounts for the financial year ending on March 31, 2018, the Company (RFL) is still pursuing appropriate legal remedies to recover the amounts due from Strategic Credit Capital Private Limited ('SCCPL') and Perpetual Credit Services Private Limited ('Perpetual') aggregating to Rs. 79,367.20 Lakhs (fully provided for in the financial year ending March 31, 2017) and expect that there will not be any obligation on the Company out of these cases. Refer Note no 47(a)(VII) of consolidated Ind AS financial statements.
2. The Company (RFL) continued to carry Deferred Tax Assets amounting to Rs. 49,315.69 Lakhs as at March 31, 2019 considering the availability of future taxable profit against which the deductible temporary differences and unused tax losses can be utilized. We have relied on the management's assessment. Refer note 12.1 of the consolidated Ind AS financial statements.

## **Religare Comtrade Limited ("RCTL")**

3. The accounts of the Company (RCTL) have been prepared on going concern basis considering the letter of comfort from its holding Company, Religare Enterprises Limited. Refer Note no. 2.2(B)(Note-1) of the consolidated Ind AS financial Statements.
4. The nature of operations of the Company may qualify under the definition of Non-Banking Finance Company (i.e NBFC) in accordance with requirements of Reserve Bank of India Act, 1934 and related regulations. However, the Company (RCTL) is not required to be registered as NBFC based on legal opinion obtained by the company.

## **Religare Advisors Limited ("RAL") (Formerly known as Religare Wealth Management Limited)**

5. We draw attention to the note no 57(i) of consolidated Ind AS financial statements regarding preparation of accounts of RAL, indirect subsidiary of the Company on realizable value basis in the financial year 2018-19 in view of no commercial operations for the last two previous financial years.

Our opinion is not modified on these matters.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter   | Auditor's response   |
|--|--|
| <p><b>Valuation of Investments and Impairment thereon</b></p> <p>The Holding Company has investments in its subsidiaries most of which was valued at fair value as on the date of transition and taken as deemed cost under IND AS and subjected to impairment testing at the end of each reporting period thereafter.</p> <p>We do not consider the valuation of this investments to be at a high risk of significant misstatement or to be subject to a significant level of judgement, except for the investment valuation based on appropriate valuation methodology followed by the valuer in material subsidiaries.</p> <p>The valuations involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows and in selection of listed peer companies under a particular valuation methodology.</p> <p>On account of major investments in material subsidiaries as indicated above in the context of total investment of the Company, this is considered to be significant to our overall audit strategy and planning.</p> <p>The Holding Company has engaged a valuation expert to evaluate the fair value of the investments</p> | <p><b>Principle Audit Procedures</b></p> <p>Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment our procedures included the following:</p> <ul style="list-style-type: none"> <li>- Comparing the carrying amount of investments with the subsidiary balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether subsidiary have historically been profit-making.</li> <li>- The carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable adjusted net asset value , discounted cash flow analysis;</li> <li>- We understood the methodology applied by management in performing its impairment test for the investment at cost and walked through the controls over the process.</li> <li>- We challenged the assumptions made by management for the input data used by management's fair valuation expert through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions.</li> </ul> |

Key Audit matters given in Auditors Report of subsidiary company is reproduced here under:



**Religare Finvest Limited ("RFL")**

| Key Audit Matter   | Auditor's response   |
|--|--|
| <p><b>Impairment loss allowance of loans and advances</b> (refer Note no 7 of consolidated Ind AS financial statements)</p> <p>Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure to a large number of customers. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Management exercises significant judgment in determining Expected Credit Loss (ECL).</p> <p>The most significant areas are:</p> <ol style="list-style-type: none"> <li>Segmentation of loan book</li> <li>Criteria for Loan staging</li> <li>Calculation of probability of default/ Loss given default</li> <li>Availability and realizability of the underlying security</li> </ol> <p>There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.</p> | <p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice.</li> <li>Understanding of the internal control environment related to impairment loss allowance.</li> <li>Assessing the internal controls over recognition and measurement of impairment loss allowance.</li> <li>Assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company-</li> <li>Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge.</li> <li>Assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.</li> </ul> <p>For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:</p> <ul style="list-style-type: none"> <li>We tested the reliability of key data inputs and related management controls;</li> <li>We checked the stage classification as at the balance sheet date as per definition of default of the company;</li> <li>We validated the ECL model and calculation;</li> <li>We have also calculated the ECL provision manually for a selected sample; and</li> <li>We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information.</li> </ul> <p>For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.</p> |

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the holding company's Annual Report particularly with respect to the management discussion and analysis, board's report including annexures to board's report, business responsibility report and corporate governance report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.





### **Responsibility of Management and Those Charged with Governance for consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and jointly controlled entity, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and jointly controlled entity, are responsible for assessing the ability of the Group and jointly controlled entity 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 and jointly controlled entity, or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and jointly controlled entity.

### **Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and jointly controlled entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and jointly controlled entity to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### Other Matters

- We did not audit the financial statements of one subsidiary company incorporated outside India, whose financial statements reflect total assets of Rs. 64.46 Lakhs as at March 31, 2019, total revenue of Rs. 161.43 Lakhs, net cash outflows amounting to Rs. 12.85 Lakhs, profit after Tax of Rs. 152.01 Lakhs and total comprehensive income of Rs. 152.01 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the management our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary are based solely on the certificate furnished by the management.
- We did not audit the financial statements of 3 subsidiary companies whose financial statements reflect total assets of Rs. 1,56,911.84 Lakhs as at March 31, 2019, total revenue of Rs. 1,22,250.56 Lakhs, net cash out flows amounting to Rs. 103.96 Lakhs, Profit after Tax of Rs. 5,833.94 Lakhs and total comprehensive income of Rs.6,132.43 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the report of the other auditors.
- Consolidated Ind AS Financial statements includes group' and jointly controlled entity's share of net Loss after Tax of Rs. 8.96 Lakhs for the year ended March 31, 2019 in respect of one jointly controlled entity, as considered in the consolidated Ind AS financial statements. These financial statements are audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this Jointly controlled entity is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to reliance on the work done and the reports of the other auditors and financial statement certified by the management.

The comparative financial information of the group and jointly controlled entity for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated May 30, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated June 29, 2017 respectively expressed a modified opinion on those consolidated Ind AS financial



statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on financial statements and the other financial information of subsidiaries as referred to in other Matters paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the report of statutory auditors of its subsidiaries companies incorporated in India and jointly controlled entities, none of the directors of group and jointly controlled entities are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiaries incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose impact of pending litigations as at March 31, 2019 on its financial position of the Group and jointly controlled entity
  - ii. The Group and jointly controlled entity have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including long term derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Reg. No. : 000756N

Sd/-

**NAVEEN AGGARWAL**

Partner

Membership No.: 094380

Place: New Delhi

Date: 23 May 2019

**“Annexure A” to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of RELIGARE ENTERPRISES LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph (f) of ‘Report on Other Legal and Regulatory Requirements’**

In conjunction with our audit of the consolidated Ind AS financial statements of **RELIGARE ENTERPRISES LIMITED (“the Holding Company”)** as of March 31, 2019, we have audited the internal financial controls over financial reporting of Holding Company, its subsidiaries and jointly controlled entity, which are incorporated in India as of that date.

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

The Board of Directors of the Holding company, its subsidiaries and jointly controlled entity, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries and jointly controlled entity, which are incorporated in India.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over Financial Reporting**

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



### Qualified Opinion

According to the information & explanation given to us and based on our audit, the following material weaknesses has been identified in the Holding Company's internal financial controls over financial reporting :-

During the current financial year, the Holding Company has initiated the process of updating the documentation for Micro Small & Medium Enterprises as per MSMED Act 2006, however, conclusion of the same is yet to be achieved.

The qualification given in Auditors Report of subsidiary company is reproduced here under:

#### **Religare Finvest Limited ("RFL")**

According to the information & explanation given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting:-

- a) During the year, the Company has not disbursed any fresh loan considering the ongoing restriction by the regulator, RBI. Accordingly, adequacy of internal financial control system over financial reporting in respect of credit appraisal, verification of end use after sanction, loan sanctioning mechanism & assessment of credit worthiness of the borrower, documents for the follow up post disbursement in respect of Corporate Loan Book, loan against property & loan against shares were not been tested during the year. These areas were not operating effectively in the previous year.
- b) The Company has initiated the process of updating the documentation for Micro Small & Medium Enterprises as per MSMED Act 2006, however, conclusion of the same is yet to be achieved.
- c) Control over Information Technology General Controls need to be further strengthened particularly in respect of access rights management and IT assets management.

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

In our opinion, to the best of our information and according to the explanation given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the holding company, its subsidiaries and jointly controlled entity have maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, based on the internal control over financial reporting criteria established by the holding company, its subsidiaries and jointly controlled entity considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration. No. : 000756N

Sd/-

**NAVEEN AGGARWAL**

Partner

Membership No.: 094380

Place: New Delhi

Date: 23 May 2019



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | Note No. | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|---|----------|----------------------|----------------------|---------------------|
| <b>ASSETS</b>   |          |                      |                      |                     |
| <b>Financial Assets</b>   |          |                      |                      |                     |
| Cash and Cash Equivalents   | 4        | 17,303.43            | 50,768.06            | 154,594.67          |
| Bank Balance Other Than Above   | 5        | 112,002.81           | 123,701.44           | 47,541.13           |
| Receivables   |          |                      |                      |                     |
| - Trade Receivables   | 6        | 34,630.13            | 30,751.97            | 63,131.61           |
| Loans   | 7        | 505,559.77           | 913,290.28           | 1,491,054.04        |
| Investments   | 8        | 143,775.10           | 119,717.08           | 137,282.43          |
| Other Financial Assets  | 9        | 20,045.00            | 18,167.91            | 27,621.02           |
| <b>Non-Financial Assets</b>   |          |                      |                      |                     |
| Inventories   | 10       | 9.67                 | 4.05                 | 71.48               |
| Current Tax Assets (Net)  | 11       | 32,760.93            | 30,641.37            | 22,204.27           |
| Deferred Tax Assets (Net)   | 12       | 52,382.42            | 51,694.28            | 29,439.27           |
| Property, Plant and Equipment   | 13       | 2,857.17             | 2,640.27             | 3,386.31            |
| Goodwill  | 14       | 972.04               | 972.04               | 972.04              |
| Other Intangible Assets   | 15       | 4,448.50             | 4,355.67             | 4,229.65            |
| Capital Work-in-Progress  | 16       | 67.50                | -                    | -                   |
| Intangible Assets Under Development   | 17       | 1,318.75             | 1,118.59             | 1,190.74            |
| Other Non-Financial Assets  | 18       | 29,668.88            | 38,418.84            | 35,273.57           |
| <b>Total Assets</b>   |          | <b>957,802.10</b>    | <b>1,386,241.85</b>  | <b>2,017,992.23</b> |
| <b>LIABILITIES AND EQUITY</b>   |          |                      |                      |                     |
| <b>LIABILITIES</b>  |          |                      |                      |                     |
| <b>Financial Liabilities</b>  |          |                      |                      |                     |
| Payables  |          |                      |                      |                     |
| - Trade Payables  | 19       |                      |                      |                     |
| (i) total outstanding dues of micro enterprises and small enterprises                       |          | 47.03                | -                    | -                   |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 26,332.36            | 23,865.74            | 32,097.11           |
| - Other Payables  | 20       |                      |                      |                     |
| (i) total outstanding dues of micro enterprises and small enterprises                       |          | -                    | -                    | -                   |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 14,053.94            | 14,065.34            | 8,232.11            |
| Debt Securities   | 21       | -                    | 44,535.37            | 178,870.67          |
| Borrowings (Other than Debt Securities)   | 22       | 615,337.75           | 893,251.28           | 1,241,061.16        |
| Subordinated Liabilities  | 23       | 56,794.41            | 56,700.47            | 78,386.53           |
| Other Financial Liabilities   | 24       | 58,702.68            | 62,196.52            | 87,489.26           |





# Consolidated Balance Sheet as at March 31, 2019

| Particulars  | Note No. | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|--|----------|----------------------|----------------------|---------------------|
| <b>Non-Financial Liabilities</b>   |          |                      |                      |                     |
| Provisions   | 25       | 1,514.90             | 1,460.92             | 2,130.10            |
| Other Non-Financial Liabilities  | 26       | 79,795.16            | 64,669.92            | 46,033.46           |
| <b>Total Liabilities</b>   |          | <b>852,578.23</b>    | <b>1,160,745.56</b>  | <b>1,674,300.40</b> |
| <b>EQUITY</b>  |          |                      |                      |                     |
| Equity Share Capital   | 27       | 21,694.27            | 17,845.52            | 17,833.45           |
| Other Equity   | 28       | 61,610.68            | 165,807.67           | 270,897.21          |
| <b>Equity Attributable to Owners of the Company</b>                              |          | <b>83,304.95</b>     | <b>183,653.19</b>    | <b>288,730.66</b>   |
| Non Controlling Interest   | 29       | 21,918.92            | 41,843.10            | 54,961.17           |
| <b>Total Equity</b>  |          | <b>105,223.87</b>    | <b>225,496.29</b>    | <b>343,691.83</b>   |
| <b>Total Liabilities and Equity</b>  |          | <b>957,802.10</b>    | <b>1,386,241.85</b>  | <b>2,017,992.23</b> |
| <b>Overview, Principles of Consolidation and Significant Accounting Policies</b> | 1 to 3   |                      |                      |                     |

The notes are an integral part of these Consolidated Financial Statements

This is the Consolidated Balance Sheet referred to in our report of even date

**For S.S. Kothari Mehta & Company**

Firm Registration No. 000756N

Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN- 05242960

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Place : New Delhi  
Date : May 23, 2019

Place : New Delhi  
Date : May 23, 2019

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Note No. | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|--|----------|-----------------------------------|-----------------------------------|
| <b>Income</b>  |          |                                   |                                   |
| Revenue From Operations  |          |                                   |                                   |
| Interest Income  | 30       | 93,148.03                         | 147,706.46                        |
| Dividend Income  |          | 5.22                              | -                                 |
| Fee and Commission Income  | 31       | 5,943.13                          | 10,165.01                         |
| Net Gain on Fair Value Changes                                       | 32       | -                                 | 575.49                            |
| Sale of Services   | 33       | 19,623.77                         | 24,970.49                         |
| Other Revenue From Operations  | 34       | 109,971.23                        | 69,029.30                         |
| <b>Total Revenue From Operations</b>                                 |          | <b>228,691.38</b>                 | <b>252,446.75</b>                 |
| Other Income   | 35       | 11,480.43                         | 21,095.02                         |
| <b>Total Income</b>  |          | <b>240,171.81</b>                 | <b>273,541.77</b>                 |
| <b>Expenses</b>  |          |                                   |                                   |
| Finance Costs  | 36       | 84,998.16                         | 126,782.65                        |
| Fee and Commission Expenses  | 37       | 5,243.51                          | 7,250.19                          |
| Net Loss on Fair Value Changes                                       | 38       | 248.40                            | -                                 |
| Impairment and Loss Allowances on Financial Instruments              | 39       | 132,968.30                        | 131,499.48                        |
| Employee Benefit Expenses  | 40       | 51,762.86                         | 49,836.69                         |
| Depreciation, Amortization and Impairment                            | 41       | 2,573.14                          | 3,005.87                          |
| Other Expenses   | 42       | 112,721.70                        | 95,886.79                         |
| <b>Total Expenses</b>  |          | <b>390,516.07</b>                 | <b>414,261.67</b>                 |
| <b>Profit / (Loss) Before Exceptional Items and Tax</b>              |          | <b>(150,344.26)</b>               | <b>(140,719.90)</b>               |
| Exceptional Items  |          | -                                 | -                                 |
|  |          | <b>(150,344.26)</b>               | <b>(140,719.90)</b>               |
| Share in Profit / (Loss) of Joint Ventures                           | 50       | (8.96)                            | (22.98)                           |
| <b>Profit / (Loss) Before Tax</b>                                    |          | <b>(150,353.22)</b>               | <b>(140,742.88)</b>               |
| <b>Income Tax Expense / (Credit):</b>                                | 43       |                                   |                                   |
| Current Tax  |          | 429.98                            | (436.81)                          |
| Deferred Tax (Net)   |          | (688.14)                          | (22,255.00)                       |
| <b>Profit / (Loss) For The Year</b>                                  |          | <b>(150,095.06)</b>               | <b>(118,051.07)</b>               |
| <b>Other Comprehensive Income</b>                                    |          |                                   |                                   |
| (A) Items That Will Not be Reclassified to Profit or Loss            |          |                                   |                                   |
| →Remeasurement Gain or (Loss) on Defined Benefit Plans               |          | (41.05)                           | 64.38                             |
| Income Tax Impact on Above Item                                      |          | -                                 | -                                 |
| →Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI |          | 104.06                            | (68.76)                           |
| Income Tax Impact on Above Item                                      |          | -                                 | -                                 |
| <b>Subtotal (A)</b>  |          | <b>63.01</b>                      | <b>(4.38)</b>                     |



# Statement of Consolidated Profit and Loss

## For the year ended March 31, 2019

| Particulars  | Note No. | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|--|----------|-----------------------------------|-----------------------------------|
| (B) Items That Will be Reclassified to Profit or Loss                            |          |                                   |                                   |
| →Net Gain / (Loss) on Debt Securities FVTOCI                                     |          | 332.33                            | (405.44)                          |
| Income Tax Impact on Above Item  |          | -                                 | -                                 |
| <b>Subtotal (B)</b>  |          | <b>332.33</b>                     | <b>(405.44)</b>                   |
| <b>Other Comprehensive Income (Net of Tax) (A + B)</b>                           |          | <b>395.34</b>                     | <b>(409.82)</b>                   |
| <b>Total Comprehensive Income For The Year</b>                                   |          | <b>(149,699.72)</b>               | <b>(118,460.89)</b>               |
| <b>Profit/(Loss) for the year attributable to:</b>                               |          |                                   |                                   |
| a) Owners of the Company   |          | (128,716.65)                      | (104,501.04)                      |
| b) Non Controlling Interest  | 29       | (21,378.41)                       | (13,550.03)                       |
|  |          | <b>(150,095.06)</b>               | <b>(118,051.07)</b>               |
| <b>Other Comprehensive Income attributable to:</b>                               |          |                                   |                                   |
| a) Owners of the Company   |          | 364.79                            | (363.74)                          |
| b) Non Controlling Interest  | 29       | 30.55                             | (46.08)                           |
|  |          | <b>395.34</b>                     | <b>(409.82)</b>                   |
| <b>Total Comprehensive Income attributable to:</b>                               |          |                                   |                                   |
| a) Owners of the Company   |          | (128,351.86)                      | (104,864.78)                      |
| b) Non Controlling Interest  | 29       | (21,347.86)                       | (13,596.11)                       |
|  |          | <b>(149,699.72)</b>               | <b>(118,460.89)</b>               |
| <b>Earnings Per Equity Share (Rs)</b>  | 44       |                                   |                                   |
| Basic (Face value of Rs 10 each, fully paid up)                                  |          | (63.32)                           | (58.56)                           |
| Diluted (Face value of Rs 10 each, fully paid up)                                |          | (63.32)                           | (58.56)                           |
| <b>Overview, Principles of Consolidation and Significant Accounting Policies</b> | 1 to 3   |                                   |                                   |

The notes are an integral part of these Consolidated Financial Statements

This is the Statement of Consolidated Profit and Loss referred to in our report of even date

**For S.S. Kothari Mehta & Company**

Firm Registration No. 000756N

Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN- 05242960

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : May 23, 2019

Place : New Delhi  
Date : May 23, 2019



## (a) Equity Share Capital

| Equity shares of Rs 10 each issued, subscribed and fully paid | Note No. | Nos.               | Amount<br>(Rs in Lakhs) |
|---|----------|--------------------|-------------------------|
| <b>At April 1, 2017</b>                                       |          | <b>178,334,498</b> | <b>17,833.45</b>        |
| Increase / (Decrease) During The Year                         | 27       | 120,750            | 12.07                   |
| <b>At March 31, 2018</b>                                      |          | <b>178,455,248</b> | <b>17,845.52</b>        |
| Increase / (Decrease) During The Year                         | 27       | 38,487,485         | 3,848.75                |
| <b>At March 31, 2019</b>                                      |          | <b>216,942,733</b> | <b>21,694.27</b>        |

## (b) Other Equity (Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Share application money pending allotment | Reserves and Surplus       |                            |  |                                  |                 |                   |  |                         |                               |                   | Other Comprehensive Income  |   |  | Money Received against Share Warrants | Attributable to Owners of the Company | Non Controlling Interest | Total        |
|--|---|----------------------------|----------------------------|--|----------------------------------|-----------------|-------------------|--|-------------------------|-------------------------------|-------------------|---|---|--|---------------------------------------|---------------------------------------|--------------------------|--------------|
|  |   | Securities Premium Reserve | Capital Redemption Reserve | Capital Reserve arising out of Composite Scheme of Arrangement | Capital Reserve on Consolidation | General reserve | Statutory Reserve | Short / (Excess) Payment for Shares in Subsid-<br>aries Post Getting Control | Debt Redemption Reserve | Employee Stock Option Reserve | Retained Earnings | Remeasurement Gain or (Loss) on Defined<br>Benefit Plans (Net of Tax) | Fair Value Gain / (Loss) on Equity Instruments<br>Designated as FVTOCI (Net of Tax) | Net Grain / (Loss) on Debt Securities FVTOCI<br>(Net of Tax) |                                       |                                       |                          |              |
| <b>Balance at the beginning of the year i.e. April 1, 2017</b>                     | 169.05                                    | 351,721.69                 | 1,123.14                   | 6,525.65   | 8,882.34                         | 22,657.10       | 35,308.30         | -  | 2,331.85                | -                             | (160,451.58)      | (22.57)   | -   | -  | 2,652.24                              | 270,897.21                            | 54,961.17                | 325,858.38   |
| # Profit / (Loss) for the Year   | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | (104,501.04)      | -   | -   | -  | -                                     | (104,501.04)                          | (13,550.03)              | (118,051.07) |
| # On account of change in NCI  | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | (217.53)          | -   | -   | -  | -                                     | (217.53)                              | 217.53                   | -            |
| # Transfer to/(from) Retained Earnings and Other Reserves                          | -   | -                          | -                          | -  | -                                | 1,541.10        | 122.33            | -  | (1,541.10)              | -                             | (122.33)          | -   | -   | -  | -                                     | -                                     | -                        | -            |
| # On Employee Stock Options  | (169.05)                                  | 156.97                     | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -   | -   | -  | -                                     | -                                     | -                        | -            |
| # Proceed from issuance of shares to NCI share holders                             | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -   | -   | -  | -                                     | (12.08)                               | -                        | (12.08)      |
| # Others   | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -   | -   | -  | -                                     | -                                     | 260.51                   | 260.51       |
| # Other Comprehensive Income   | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | 64.38   | (68.76)   | (405.44)   | 4.85                                  | 4.85                                  | -                        | 4.85         |
| <b>As at March 31, 2018</b>  | -   | 351,878.66                 | 1,123.14                   | 6,525.65   | 8,882.34                         | 24,198.20       | 35,430.63         | -  | 790.75                  | -                             | (265,292.48)      | 41.81   | (68.76)   | (405.44)   | 2,657.09                              | 165,807.67                            | 41,843.10                | 207,650.77   |
| # Profit / (Loss) for the Year   | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | (128,716.65)      | -   | -   | -  | -                                     | (128,716.65)                          | (21,378.41)              | (150,095.06) |
| # On account of change in NCI  | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | 348.34            | -   | -   | -  | -                                     | 348.34                                | (348.34)                 | -            |
| # Transfer to/(from) Retained Earnings and Other Reserves                          | -   | -                          | -                          | -  | -                                | 790.75          | 144.98            | -  | (790.75)                | -                             | (144.98)          | -   | -   | -  | -                                     | -                                     | -                        | -            |
| # On Employee Stock Options  | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | 1,254.31                      | -                 | -   | -   | -  | -                                     | 1,254.31                              | 144.56                   | 1,398.87     |
| # Securities Premium increase due to conversion of Share warrant into Equity Share | -   | 16,280.21                  | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -   | -   | -  | -                                     | 16,280.21                             | -                        | 16,280.21    |
| # Money Received against Share Warrants  | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -   | -   | -  | -                                     | 14,578.35                             | -                        | 14,578.35    |
| # Less: Share warrant money utilised   | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -   | -   | -  | -                                     | (5,032.24)                            | -                        | (5,032.24)   |



# Statement of Consolidated Changes in Equity

## For the year ended March 31, 2019

| Particulars  | Share application money pending allotment | Reserves and Surplus       |                            |  |                                  |                 |                   |  |                         |                               |                   | Other Comprehensive Income   |  |   | Money Received against Share Warrants | Attributable to Owners of the Company | Non Controlling Interest | Total |
|--|---|----------------------------|----------------------------|--|----------------------------------|-----------------|-------------------|--|-------------------------|-------------------------------|-------------------|--|--|---|---------------------------------------|---------------------------------------|--------------------------|-------|
|  |   | Securities Premium Reserve | Capital Redemption Reserve | Capital Reserve arising out of Composite Scheme of Arrangement | Capital Reserve on Consolidation | General reserve | Statutory Reserve | Short / (Excess) Payment for Shares in Subsidiaries Post Getting Control | Debt Redemption Reserve | Employee Stock Option Reserve | Retained Earnings | Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax) | Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI (Net of Tax) | Net Grain / (Loss) on Debt Securities FVTOCI (Net of Tax) |                                       |                                       |                          |       |
| # Proceed from issuance of shares to NCI share holders | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | -                 | -  | -  | -   | -                                     | 1,633.72                              | 1,633.72                 |       |
| # Others   | -   | -                          | -                          | -  | -                                | -               | -                 | (3,261.55)   | -                       | -                             | -                 | -  | -  | -   | (3,280.35)                            | -                                     | (3,280.35)               |       |
| # Other Comprehensive Income                           | -   | -                          | -                          | -  | -                                | -               | -                 | -  | -                       | -                             | (41.05)           | 104.06   | 332.33   | -   | 371.05                                | 24.29                                 | 395.34                   |       |
| As at March 31, 2019                                   | -   | 368,158.87                 | 1,123.14                   | 6,525.65   | 8,882.34                         | 24,988.95       | 35,575.61         | (3,261.55)   | -                       | 1,254.31                      | (393,805.77)      | 0.76   | 35.30  | (73.11)   | 2,638.29                              | 9,546.11                              | 83,529.60                |       |

Refer Note 28.1 for nature and purpose of reserves.

### Notes:

**Share Application Money:** The Company had received share application money of Rs. 169.05 Lakhs from whole time director (as on employee) under Employee Stock Option Scheme 2006 which was pending for allotment till year ended March 31, 2017. During year ended March 31, 2018 the above share application money had been allotted to 120,750 number of equity shares having face of Rs 10 aggregating Rs 1,207,500 on May 19, 2017.

**Money Received against Share Warrants:** Refer Note 27.8.

### This is the Consolidated Statement Of Changes In Equity referred to in our report of even date

For S.S. Kothari Mehta & Company  
Firm Registration No. 000756N  
Chartered Accountants

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN - 05242960

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : May 23, 2019

Place: New Delhi  
Date: May 23, 2019

For and on behalf of the Board of Directors



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow From Operating Activities:</b>  |                                      |                                      |
| <b>Net Profit / (Loss) Before Tax</b>   | <b>(150,353.22)</b>                  | <b>(140,742.88)</b>                  |
| Adjustments for:  |                                      |                                      |
| Depreciation and Amortisation   | 2,573.14                             | 3,005.87                             |
| Interest Expense  | 84,541.79                            | 126,275.39                           |
| Interest Income*  | (14,313.47)                          | (12,979.25)                          |
| Dividend Income   | (5.22)                               | -                                    |
| Share of (Profit) / Loss of Associates and Joint Ventures                                       | 8.96                                 | 22.98                                |
| (Profit)/Loss on Selling of PPE and Intangible Assets Under Development (Net)                   | (49.55)                              | (34.40)                              |
| (Profit)/Loss on Selling of Investment in Subsidiary (ies)                                      | -                                    | (1,410.38)                           |
| (Profit)/Loss on Selling of Other Investments (Net)   | (4,400.18)                           | (3,184.19)                           |
| (Profit) / Loss on sale of Flats Under Construction- Held for Sale                              | (1.35)                               | (166.29)                             |
| Remeasurement Gain or (Loss) on Defined Benefit Plans   | (41.05)                              | 64.38                                |
| Employee Stock Option Expenses  | 1,398.87                             | -                                    |
| Bad Debts, Balances and Loans Written Off (Net of Balances Written Back)                        | 8,652.91                             | 13,965.70                            |
| Provision Against Loans (Net)   | 123,878.15                           | 122,192.87                           |
| Provision Against Investments   | 7,004.70                             | 6,000.00                             |
| Provision Against Trade Receivables   | 1,097.96                             | 358.43                               |
| Provision Against Others Financial and Non-Financial Assets                                     | 987.49                               | 2,948.18                             |
| Provision for Gratuity and Leave Encashment (written off) / created                             | 53.98                                | (663.48)                             |
| (Gain) / Loss on Financial Assets Measured at Fair Value Through Profit or Loss (Net)           | -                                    | (575.49)                             |
| Translation Reserve   | (18.80)                              | 5.35                                 |
| Amortisation of Excess Interest Spread  | 232.47                               | 2,283.62                             |
| <b>Operating Profit Before Changes in Operating Assets and Liabilities</b>                      | <b>61,247.58</b>                     | <b>117,366.41</b>                    |
| <b>Adjustments for Changes in Operating Assets and Liabilities:</b>                             |                                      |                                      |
| - (Increase)/Decrease in Trade and Other Receivables  | (4,976.13)                           | 32,021.20                            |
| - (Increase)/Decrease in Loans  | 275,199.44                           | 440,956.53                           |
| - (Increase)/Decrease in Other Financial Assets   | (2,883.84)                           | 2,253.41                             |
| - (Increase)/Decrease in Inventories  | (5.62)                               | 67.43                                |
| - (Increase)/Decrease in Other Non-Financial Assets   | 8,070.78                             | (5,665.91)                           |
| - Increase/(Decrease) in Trade and Other Payables   | 2,502.25                             | (2,170.98)                           |
| - Increase/(Decrease) in Other Financial Liabilities  | 3,666.21                             | (15,258.90)                          |
| - Increase/(Decrease) in Other Non-Financial Liabilities  | 15,125.31                            | 18,636.52                            |
| <b>Cash Used/ generated in/ from operations before taxes</b>                                    | <b>357,945.98</b>                    | <b>588,205.71</b>                    |
| - Taxes Refunded / (Paid) (Net)   | (2,549.54)                           | (8,000.32)                           |
| <b>Net Cash Generated / (Used) from / in Operating Activities</b>                               | <b>355,396.44</b>                    | <b>580,205.39</b>                    |
| <b>B. Cash Flow From Investing Activities:</b>  |                                      |                                      |
| Purchase of Property, Plant and Equipment and Other Intangible Assets                           | (2,736.80)                           | (3,003.90)                           |
| Proceeds from sale of Property, Plant and Equipment and Other Intangible Assets                 | 163.28                               | 383.28                               |
| Proceeds From Sale of Flats Under Construction Held For Sale                                    | 185.32                               | 974.64                               |
| Intangible Assets Under Development and Capital Work in Progress                                | (657.85)                             | 72.15                                |
| Proceeds from Sale of Investments in subsidiary (ies) (Net of Cash & Cash Equivalents disposed) | -                                    | 537.03                               |
| Proceeds from Sale of Other Investments   | 67,258.68                            | 1,999,930.94                         |
| Purchase of Other Investments   | (93,493.79)                          | (1,985,103.09)                       |
| Investment in Subsidiary(ies)   | (3,261.56)                           | -                                    |
| Increase / (Decrease) in Investment in Fixed Deposits#  | 15,020.11                            | (72,219.12)                          |
| Interest Received (Revenue)   | 11,273.95                            | 12,718.26                            |
| Dividend Received (including dividend from an associate)  | 5.22                                 | -                                    |
| <b>Net Cash Generated / (Used) from / in Investing Activities</b>                               | <b>(6,243.44)</b>                    | <b>(45,709.81)</b>                   |





# Consolidated Cash Flow Statement

## For the year ended March 31, 2019

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| <b>C. Cash Flow From Financing Activities:</b>   |                                      |                                      |
| Proceeds from fresh issue of Equity Share Capital (including securities premium) (Net)                   | 20,128.96                            | -                                    |
| Money Received Against Share Warrants  | 9,546.11                             | -                                    |
| <b>Proceeds/ (Repayment) for Debt Securities (Net):</b>  |                                      |                                      |
| - Debentures   | (34,093.45)                          | (104,608.15)                         |
| - Commercial Papers  | (10,792.93)                          | (31,917.18)                          |
| <b>Proceeds/ (Repayment) for Borrowings (Other than Debt Securities) (Net):</b>                          |                                      |                                      |
| - Term Loans   | (274,575.54)                         | (319,319.80)                         |
| - Loan Repayable on Demand   | 228.55                               | (34,839.75)                          |
| - Finance Lease Obligations  | (96.38)                              | (267.18)                             |
| - Debentures   | -                                    | (21,780.00)                          |
| - Term Loans   | 93.94                                | 93.94                                |
| Proceeds from the Shares issued to Minority Shareholders   | 1,633.70                             | 260.48                               |
| Interest Paid  | (90,642.88)                          | (133,121.51)                         |
| <b>Net Cash Generated / (Used) from / in Financing Activities</b>  | <b>(378,569.92)</b>                  | <b>(645,499.16)</b>                  |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                                    | <b>(29,416.92)</b>                   | <b>(111,003.58)</b>                  |
| <b>Add: Cash and Cash Equivalents at the beginning of the Year</b>                                       | <b>41,392.87</b>                     | <b>152,396.24</b>                    |
| <b>Add: Effect of Exchange difference on Translation of Foreign Currency Cash &amp; Cash Equivalents</b> | <b>-</b>                             | <b>0.21</b>                          |
| <b>Cash and Cash Equivalents at the end of the Year</b>  | <b>11,975.95</b>                     | <b>41,392.87</b>                     |
| <b>Cash and Cash Equivalents at the end of the Year Comprises of (Refer Note 4)</b>                      |                                      |                                      |
| Cash in Hand   | 2.32                                 | 5.07                                 |
| Cheques on Hand  | 291.08                               | 1,204.50                             |
| Stamp Papers On Hand   | 22.52                                | 27.94                                |
| Balances with Banks in Current Accounts  | 14,837.51                            | 45,668.55                            |
| Balances with Banks in Fixed Deposits Accounts   | 2,150.00                             | 3,862.00                             |
| Bank Overdrafts  | (5,327.48)                           | (9,375.19)                           |
| <b>Total</b>   | <b>11,975.95</b>                     | <b>41,392.87</b>                     |

\* Interest income does not include interest income from lending operations of Rs 78,834.56 Lakhs (March 31, 2018: Rs 134,727.21 Lakhs).

# Fixed Deposits with banks with maturity more than 12 months from the date of acquisition and after one year from the Balance Sheet Date.

### Notes:

- The Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows'.
- Figures in bracket indicate cash outgo / income.
- Net Cash used in Operating Activities includes Rs Nil (March 31, 2018: Rs Nil) spent towards CSR expenditure during the year.
- Previous year's figures have been regrouped and rearranged wherever necessary to conform to the current year classification.

### The notes are an integral part of these Consolidated Financial Statements

This is the Consolidated Cash Flow Statement referred to in our report of even date

For S.S. Kothari Mehta & Company

Firm Registration No. 000756N

Chartered Accountants

Sd/-

Naveen Aggarwal

Partner

Membership No. 094380

Sd/-

Vijayalakshmi Rajaram Iyer

Director

DIN- 05242960

Sd/-

Milind Narendra Patel

Group - CEO

Sd/-

Sabina Vaisoha

Director

DIN-00207306

Sd/-

Gurvinder Singh Juneja

CFO

Sd/-

Reena Jayara

Company Secretary

Membership No. A19122

Place : New Delhi  
Date : May 23, 2019

Place : New Delhi  
Date : May 23, 2019



## 1. OVERVIEW

Religare Enterprises Limited ("REL" or "the Company") is a leading emerging markets financial services company in India. REL is a diversified financial services company with presence in India and abroad operating through its Indian and overseas subsidiaries. The Subsidiaries, Joint Ventures and Associates are primarily engaged in the business of broking in securities and commodities, lending and investments, financial advisory services, distribution of third party financial products, custodial and depository operations, portfolio management services and health insurance, institutional equities and investment banking services to its clients. REL was originally incorporated as a private limited company under the Companies Act, 1956 on January 30, 1984. The Company is listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). The Company is registered with the Reserve Bank of India as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI"). (Refer Disclaimer below)

More than 90% of its total assets are invested in long term investments in group companies.

W.e.f. December 1, 2016, the Company has changed its registered office from D3, P3B District Centre, Saket, New Delhi -110017 to 2nd Floor, Rajlok Building, 24, Nehru Place, New Delhi -110019.

The Consolidated Financial Statements comprise the Company and its subsidiary, joint ventures and associates (referred to collectively as "the Group").

*RBI Disclaimer:*

- (a) *Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for discharge of liability by the company.*
- (b) *Neither is there any provision in law to keep, nor does the company keep any part of the deposits with the Reserve Bank and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the public funds to any person/body corporate.*

## 2. BASIS OF PREPARATION AND PRINCIPLES OF CONSOLIDATION

### 2.1 BASIS OF PREPARATION AND PRESENTATION

#### (i) Statement of Compliance

These consolidated financial statements have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and related amendments as notified from time to time other relevant provisions of the Act, 2013, NBFC Directions, 2016 and CIC Directions.

The Financial Statement up to and including the year ended March 31, 2018, were prepared in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP"). These financial statements for the year ended March 31, 2019 are the Company's first financial statement prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2017. Ind AS - 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 53.

#### (ii) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value amount:

- (a) Certain financial assets and liabilities (including derivative instruments); and
- (b) Defined benefit plan assets;

#### (iii) Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Indian National Rupee ("INR" or "Rs"), which is the Group's functional and presentation currency. All amounts have been rounded to lakhs up to two decimals, unless otherwise indicated.

Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.



### (iv) Use of Judgements and Estimates

In preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets as at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Information about estimates and critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

#### → **Classification of Religare Capital Markets Limited as a non controlling entity**

Though the Company has 100% equity ownership of Religare Capital Markets Limited, the Company does not have control over it. For detail please refer Note 2.2(C).

#### → **Useful Lives of Property, Plant and Equipment and Intangible Assets:**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the group historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

#### → **Impairment Testing of Non-Financial Assets:**

Impairment exists when the recoverable amount of the asset or the cash generating unit to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

#### → **Provisions and Other Contingent Liabilities:**

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's businesses.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

#### → **Defined Benefit Plans and Compensated Absences:**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### → **Income Tax and Deferred Tax:**

Income Tax: The major tax jurisdictions for the Group is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Deferred Tax: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities



and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. Further details of the deferred taxes is disclosed at Note 12.

→ **Impairment of Financial Asset / Expected Credit Losses ("ECL") on Financial Assets:**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk including Group's internal credit. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Please also refer Note 3(k).

→ **Fair Value Measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please refer Notes 3(l) and 48.

→ **Business Model Assessment:**

Classification and measurement of financial assets depends on the results of the 'solely payments of principal and interest ("SPPI")' and the 'business model' tests (Refer Note 3(k)). 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 reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income 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. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

→ **Business combination:**

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment.

These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

→ **Share Based Payments:**

The group companies measure the cost of equity-settled transactions with employees using Black-Scholes Model or other method 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.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 52.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

- (v) The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 45.

**(vi) Standards (i.e. Ind AS) issued but not yet effective**

The following Ind AS or material amendments to Ind AS have been issued but not yet effective up to the date of Group's Financial Statements. The Group is evaluating the requirements of these standards and amendments and has not yet determined the impact on the financial statements.

| Ind AS not yet effective for the financial statements for the year ended March 31, 2019 | Effective for the accounting periods beginning on or after |
|---|--|
| Ind AS 116, Leases*   | April 1, 2019  |
| Amendment in Ind AS 28, Investments in Associates**                                     | April 1, 2019  |
| Amendment in Ind AS 12, Income Taxes***   | April 1, 2019  |

The Company will adopt these Ind AS and amendments from their applicability dates.

\* Ind AS 116 will replace the Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

\*\* The amendments set the guidance around application of Ind AS 109, 'Financial Instruments' to other long term financial instruments in an associate or joint venture to which the equity method is not applied.

\*\*\* The amendments made to set out principles for recognition of the taxes on dividend. The standard stipulates that the entity shall recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend.

Further amendments, set guidance for the cases where there are uncertainty over the over income tax treatments i.e. the acceptability of a particular tax treatment under tax law may not be known until the relevant taxation authority or a court takes a decision in the future.

## 2.2 PRINCIPLES OF CONSOLIDATION

- A. The consolidated financial statements relate to the Company and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

- (i) The Company determines the basis of control in line with the requirements of Ind AS-110, 'Consolidated Financial Statements'. Subsidiaries and controlled Trusts are entities controlled by the Group.

The Group controls an entity when the parent has power over the entity, it 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 over the entity.

- (ii) The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes in control.

- (iii) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes and expenses, after eliminating intra-group balances and intra-group transactions in full.

- (iv) In case of foreign subsidiaries have a functional currency other than INR, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the reporting date. Any exchange difference arising on consolidation is recognised in the 'Foreign Currency Translation Reserve ("FCTR")'. When a foreign subsidiary is disposed of, the relevant amount recognized in FCTR is transferred to the Consolidated Statement of Profit or Loss as part of the profit or loss on disposal.

- (v) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions





and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

- (vi) Financial statement of subsidiaries used for the purpose of Consolidation are drawn up to the same reporting date as that of the Company.
- (vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- (viii) Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of no controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.
- (ix) Equity accounted investees are entities in respect of which, the Company has significant influence, but not control, over the financial and operating policies. Generally, associates and joint venture companies come under this category. Investments in such entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying amount of investment is increased/ decreased to recognized investors share of profit or loss of the investee after the acquisition date post eliminating unrealized profits and losses resulting from transactions between the Company and its equity accounted entities to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the equity accounted entities' Statement of Profit and Loss and through its reserves for the balance based on available information.

**B. The Subsidiaries, Joint Venture and Associate considered in the Consolidated Financial Statements are as under:**

| Name of the Entity   | % of equity shareholdings |                      |                                  | Country of Incorporation / Place of Business |
|--|---------------------------|----------------------|----------------------------------|--|
|  | As at March 31, 2019      | As at March 31, 2018 | As at April 1, 2017 <sup>1</sup> |  |
| <b><u>(a) Subsidiaries / Sub-Subsidiaries</u></b>  |                           |                      |                                  |  |
| Religare Finvest Limited   | 85.64%                    | 85.64%               | 85.64%                           | India  |
| Religare Commodities Limited (subsidiary of Religare Broking Limited)  | 100.00%                   | 100.00%              | 100.00%                          | India  |
| Religare Housing Development Finance Corporation Limited (subsidiary of Religare Finvest Limited)  | 87.50%                    | 87.50%               | 87.50%                           | India  |
| Religare Health Insurance Company Limited  | 89.67%                    | 90.78%               | 90.05%                           | India  |
| Cerestra Advisors Private Limited (formerly known as Cerestra Advisors Limited) <sup>2</sup>   | -                         | -                    | 100.00%                          | India  |
| Religare Comtrade Limited (subsidiary of Religare Commodities Limited till December 31, 2018) (Company holds 73.066% and Religare Commodities Limited holds 26.934%) <sup>2a</sup> | 100.00%                   | 100.00%              | 100.00%                          | India  |
| Religare Global Asset Management Inc., USA   | 100.00%                   | 100.00%              | 100.00%                          | USA  |
| Religare Broking Limited   | 100.00%                   | 100.00%              | 100.00%                          | India  |
| Religare Insurance Limited   | 100.00%                   | 100.00%              | 100.00%                          | India  |
| Religare Advisors Limited (formerly known as Religare Wealth Management Limited) (subsidiary of Religare Broking Limited)  | 100.00%                   | 100.00%              | 100.00%                          | India  |
| Religare Credit Advisor Private Limited [formerly known as Religare Credit Advisors LLP]   | 99.99%                    | 99.99%               | 99.99%                           | India  |
| Argil Advisors LLP (formerly known as Cerestra Capital Advisors LLP) <sup>3</sup>  | -                         | 100.00%              | 100.00%                          | India  |
| Religare Business Solutions Limited (subsidiary of Religare Broking Limited)   | 100.00%                   | 100.00%              | 100.00%                          | India  |
| Religare Heal Fund Advisers LLP <sup>4</sup>   | -                         | -                    | 100.00%                          | India  |





# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Name of the Entity   | % of equity shareholdings |                      |                                  | Country of Incorporation / Place of Business |
|--|---------------------------|----------------------|----------------------------------|--|
|  | As at March 31, 2019      | As at March 31, 2018 | As at April 1, 2017 <sup>1</sup> |  |
| Religare Commodity DMCC, Dubai (subsidiary of Religare Comtrade Limited) <sup>5</sup>                        | -                         | -                    | 100.00%                          | Dubai  |
| <b><u>(b) Joint Ventures</u></b>   |                           |                      |                                  |  |
| IBOF Investment Management Private Limited (formerly known as Quadria Investment Management Private Limited) | 50.00%                    | 50.00%               | 50.00%                           | India  |

Note: Also refer Point (C) below.

<sup>1</sup> Name of the companies that remains post implementation of the Composite Scheme of Arrangement (the "Scheme") in the previous year. Appointed date of the Scheme was April 1, 2016 and effective date of the Scheme was December 29, 2017.

<sup>2</sup> During the year ended March 31, 2018, the Company sold its entire shareholding in Cerestra Advisors Limited to a third party.

<sup>2a</sup> Religare Comtrade Limited, a wholly owned sub-subsidiary of the Company has become a direct subsidiary of the Company pursuant to conversion of CCDs into equity w.e.f December 31, 2018. Pursuant to conversion, Religare Enterprises Limited directly holds 73.066% shareholding in Religare Comtrade Limited.

<sup>3</sup> Name of Argil Advisors LLP has been struck off from the register of Limited Liability Partnerships w.e.f. April 06, 2018. Accordingly, the entity stands dissolved from such date.

<sup>4</sup> Religare Heal Fund Advisors LLP, has been struck off from the register of Limited Liability Partnerships w.e.f. May 27, 2017. Accordingly, the entity stands dissolved from such date.

<sup>5</sup> Deregistered from the Records of Registrar, Dubai w.e.f. October 15, 2017.

**Note-1:** Subsequent to the year end, the Board of Directors of the Company in its meeting held on May 23, 2019, approved, subject to requisite approvals, the draft Scheme of Amalgamation ("Scheme") that is designed to simplify the Company's corporate structure. In terms of the Scheme, two direct / indirect wholly owned subsidiaries of the Company namely, Religare Comtrade Limited ("RCTL") and Religare Insurance Limited ("RIL") will merge with / into REL subject to terms and conditions as provided in the Scheme.

RCTL has net loss of Rs 1,961.09 Lakh during the year ended March 31, 2019 and company's liabilities exceeds the total assets by Rs 10,118.71 Lakhs. However, REL has given letter of comfort for the payment of liabilities and same has also been considered in the financials of the Company.

**Note-2:** Board of Directors of Religare Broking Limited ("RBL") and Religare Commodities Limited ("RCL"), in their Board Meeting held on March 08, 2019 had approved "Scheme of Merger" to merge RCL into/with RBL. The Merger was planned with an objective to integrate securities trading and commodity trading services as provided by RBL and RCL respectively under one entity i.e. RBL. However, later on RBL has made applications with Commodity Exchanges for obtaining new licenses with respect to commodity broking services. Hence, the Board of Directors of RBL and RCL at their meetings held on May 13, 2019, reviewed the matter and decided to withdraw the "Scheme of Merger" of RCL into/with RBL. Therefore, the "Scheme of Merger" of RCL with/into RBL stands withdrawn w.e.f. May 13, 2019.

**C.** Subsidiaries are entities controlled by the other entity. As per Ind AS-110, 'Consolidated Financial Statements' an entity controls other entity when:

- (i) the parent has power over the other entity;
- (ii) it is exposed to, or has rights to, variable returns from its involvement with the other entity; and
- (iii) it has the ability to affect those returns through its power over the other entity.

As per Ind AS - 111, 'Joint Arrangements', when all the parties, or a group of the parties, considered collectively, are able to direct the activities that significantly affect the returns of the arrangement (i.e. the relevant activities), the parties control the arrangement collectively. After concluding that all the parties, or a group of the parties, control the arrangement collectively, an entity shall assess whether it has joint control of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.



The Company although holds 100% equity shares capital in RCML, however in the present scenario controlling through voting rights is not there with the Company. Beside this, the tripartite agreement entered into, in financial year 2011-12, between REL, Religare Capital Markets Limited ("RCML") and RHC Holding Private Limited ("RHCPL"), a promoter group company (application with SEBI for delisting of promoters is pending since January 16, 2019) for providing financial support to RCML by RHCPL imposed severe long term restrictions and significant restrictive covenants on major decision making at RCML by the holder of the preference shares. Accordingly in view of the above, the financial statements of RCML and its subsidiaries have been excluded from the consolidated financial statements of the Company w.e.f. October 01, 2011, in accordance with applicable accounting standards. The Company has already provided fully for the entire investment made by it into RCML in previous years.

Following is given the list of the RCML group companies.

| Name of the Entity   | % of equity shareholdings |                      |                     | Country of Incorporation / Place of Business |
|--|---------------------------|----------------------|---------------------|--|
|  | As at March 31, 2019      | As at March 31, 2018 | As at April 1, 2017 |  |
| Religare Capital Markets Limited   | 100.00%                   | 100.00%              | 100.00%             | India  |
| Religare Capital Markets International (Mauritius) Limited   | 100.00%                   | 100.00%              | 100.00%             | Mauritius                                    |
| Religare Capital Markets International(UK) Limited ** ^  | -                         | 100.00%              | 100.00%             | United Kingdom                               |
| Religare Capital Markets Corporate Finance Pte. Limited **   | 100.00%                   | 100.00%              | 100.00%             | Singapore                                    |
| Religare Capital Markets (Europe) Limited **   | 100.00%                   | 100.00%              | 100.00%             | United Kingdom                               |
| Religare Capital Markets (UK) Limited*   | 100.00%                   | 100.00%              | 100.00%             | United Kingdom                               |
| Charterpace Limited * @ %  | -                         | -                    | 22.00%              | United Kingdom                               |
| Religare Capital Markets Inc.**  | 100.00%                   | 100.00%              | 100.00%             | USA  |
| Tobler UK Limited**  | 100.00%                   | 100.00%              | 100.00%             | United Kingdom                               |
| Kyte Management Limited ("KML") **   | 100.00%                   | 100.00%              | 100.00%             | BVI  |
| Religare Capital Markets (Hong Kong) Limited** (subsidiary of Kyte Management Limited)   | 100.00%                   | 100.00%              | 100.00%             | Hong Kong                                    |
| Religare Capital Markets (Singapore) Pte. Limited** (subsidiary of Religare Capital Markets (Hong Kong) Limited)   | 100.00%                   | 100.00%              | 100.00%             | Singapore                                    |
| Bartleet Religare Securities (Private) Limited@ ** (formerly known as Bartleet Mallory Stock Brokers (Private) Limited)  | 50.00%                    | 50.00%               | 50.00%              | Sri Lanka                                    |
| Bartleet Asset Management (Private) Limited@ ** (subsidiary of Bartleet Religare Securities (Private) Limited)   | 50.00%                    | 50.00%               | 50.00%              | Sri Lanka                                    |
| Strategic Research Limited@ ** (subsidiary of Bartleet Religare Securities (Private) Limited)  | 50.00%                    | 50.00%               | 50.00%              | Sri Lanka                                    |
| Bartleet Wealth Management (Private) Limited (Formerly known as Religare Bartleet Capital Markets (Private) Limited)@** (subsidiary of Bartleet Religare Securities (Private) Limited) | 50.00%                    | 50.00%               | 50.00%              | Sri Lanka                                    |
| <b>Joint Ventures</b>  |                           |                      |                     |  |
| Milestone Religare Capital Management Limited* ^^  | -                         | -                    | 50.00%              | Mauritius                                    |

\*\* Subsidiary / Sub-subsidiary of Religare Capital Markets International (Mauritius) Limited.

^ Liquidated w.e.f. March 3, 2019.

@ Board controlled subsidiary.

\* Subsidiary / Sub-subsidiary / Joint Venture of Religare Capital Markets (Europe) Limited.

% Dissolved w.e.f. April 10, 2017.

^^ The name of the company has been stroke off from the register w.e.f. August 17, 2017.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) PROPERTY, PLANT AND EQUIPMENT ("PPE")

Freehold lands are carried at historical cost. Other items of property, plant and equipment are measured at historical cost, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent costs are included in the PPE's carrying value or recognised as separate asset only when, it is probable that the economic benefits associated with the item will flow to the Company / Group in future periods and the cost of the item can be measured reliably. Expenditure, incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under 'other non-financial assets'.

#### (b) DEPRECIATION

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Land is not depreciated.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or the rates based on the useful life of the asset as estimated by the Management taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which has a significant impact on the useful life of an asset.

| Asset Description                    | Useful life and rates specified in Schedule II of Companies Act, 2013 |                       | Useful life and rates considered by the Group |                       |
|--------------------------------------|---|-----------------------|---|-----------------------|
|                                      | Useful Life of Asset (In year)  | Depreciation Rate (%) | Useful Life of Asset (In year)                | Depreciation Rate (%) |
| Buildings                            | 60  | 1.67%                 | 3 to 39                                       | 2.56% to 33.33%       |
| Office Equipments                    | 5   | 20%                   | 2 to 5  | 16.67% to 50%         |
| Server and Networks                  | 6   | 16.67%                | 5 to 6  | 16.67% to 20%         |
| Laptop, Desktop etc.                 | 3   | 33.33%                | 3   | 33.33%                |
| Electrical Installation & Equipments | 10  | 10%                   | 5 to 10                                       | 10% to 20%            |
| Furniture and Fixtures               | 10  | 10%                   | 5 to 10                                       | 10% to 20%            |
| Car                                  | 8   | 12.50%                | 5 to 8  | 12.5% to 20%          |
| Bike                                 | 10  | 10.00%                | 6 to 10                                       | 10% to 16.67%         |
| Leasehold improvement*               | Lease Period  |                       | Lease Period                                  |                       |

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Individual assets costing up to Rs 5,000 are fully depreciated in the year in which they are acquired.

Depreciation is provided for on a pro-rata basis on the assets acquired, sold or disposed off during the year.

Useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.



The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**(c) INTANGIBLE ASSETS**

Intangible assets that are acquired by the Group are measured at cost. Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in the Statement of Profit and Loss.

Computer software which is not an Integral part of the related hardware is classified as an intangible asset and is being amortised over the estimated useful life. The estimated useful lives of Intangible assets are 5 years.

**(d) AMORTISATION**

Intangible assets with a finite useful life are amortised on a straight line basis over their estimated useful lives. The amortisation period are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

**(e) GOODWILL**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

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 arrived at cost less accumulated impairment losses.

**Impairment**

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

**Disposed of**

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**(f) EARNINGS PER SHARE ("EPS")**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. In considering whether potential equity shares are dilutive or anti-dilutive, each issue or series of potential equity shares is considered separately rather than in aggregate.

In computing dilutive earnings per share, only potential equity shares that are dilutive are considered.

**(g) TAXES ON INCOME**

**Current Tax**

- (i) The income tax expense or credit for the year is the tax payable on the current year's taxable income in accordance with the applicable income tax rates for each jurisdiction adjusted by changes in deferred tax assets / liabilities attributable to temporary differences and to unused tax losses



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

- (ii) The tax rates and tax laws used to compute amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- (iii) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- (iv) Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset.

#### Deferred Tax

- (v) Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- (vi) Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arises from:
  - >> The initial recognition of goodwill; or
  - >> The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); or
  - >> The temporary differences between the carrying amount and tax bases on investments in subsidiaries, branches and associates, and interests in joint arrangements where the Group is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future.
- (vii) A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, except deferred tax liability arises from:
  - >> The initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); or
  - >> The temporary differences between the carrying amount and tax bases on investments in subsidiaries, branches and associates, and interests in joint arrangements where it is not probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.
- (viii) Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- (ix) Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- (x) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
- (xi) Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the respective group company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group companies will pay normal income tax during the specified period.

**(h) REPOSSESSED ASSETS HELD FOR SALE**

Assets acquired in satisfaction of debts are disclosed in the balance sheet at outstanding principal loan amount or market value (as per valuation reports) whichever is lower. In case the market value of assets acquired is lower than the outstanding principal loan amount, difference is charged to the Statement of Profit and Loss. In case the market value of assets acquired cannot be determined, assets are recognised at a nominal value.

The outstanding overdue interest, other charges and interest from the date of settlement till the disposal of such assets are accounted on realization basis. Any money realized over and above the principal outstanding in either of these categories such as interest or other charges etc. are booked under the respective heads of the Statement of Profit and Loss. Further, if on disposal of these assets, the sale proceeds are higher than the loan amount (including outstanding overdue interest, other charges and interest from the date of settlement till the disposal of such assets), then the Group refunds the excess amount to the customers, unless agreed otherwise at the time of acquiring assets in satisfaction of debts with the customers.

**(i) INVENTORIES**

Inventories are valued at the lower of cost and net realisable value.

**(j) LEASES**

(i) Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The rentals and all the other expenses of assets under operating lease for the period are treated as revenue expenditure and are charges to Profit and Loss on a straight-line bases over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) Assets given on operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on straight line basis over the lease term. Operating costs of leased assets, including depreciation are recognized as an expense in the Statement of Consolidated Profit and Loss. Initial direct costs such as legal costs, brokerages etc. are charged to Statement of Profit and Loss as incurred.

(iii) The Group takes certain tangible assets on lease terms and such leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired on Finance Lease are recognised in fixed assets, at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in Other Long Term Liabilities/Other Current Liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period.

**(k) FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Initial Recognition and Measurement**

A financial asset or a financial liability is recognised in its balance sheet when any of the Group company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables. Transaction costs, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs, directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss, are recognised immediately in the Statement of Profit and Loss.

Regular way purchase and sale of financial assets are recognised at trade date (i.e. the date when an entity commits to purchase or sell an asset). Regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Trade receivables, do not contain a significant financing component in accordance with Ind AS 115, are initially measured at their transaction price.





## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is evidenced by a quoted price in an active market or for an identical asset or liability or is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the Statement of Profit and Loss when the inputs become observable, or when the instrument is derecognised.

#### (ii) Classification and Subsequent Measurement

##### **(A) Financial Assets**

##### **(A)(1) Debt Instruments**

The Group classifies debt instruments based their subsequent measurements that depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. There are three measurement categories into which the Group classifies its debt instruments:

• **Amortised Cost:** Asset is measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows, that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

• **Fair Value Through Other Comprehensive Income ("FVTOCI"):** Asset is measured at FVTOCI if both of the following conditions are met:

- (i) the financial asset is held within a business model, whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows, that are solely payments of principal and interest on the principal amount outstanding.

• **Fair Value Through Profit or Loss ("FVTPL"):** Asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

##### **(A)(2) Equity Instruments**

All equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments other than held for trading, the Group has not exercised irrevocable option to recognise in other comprehensive income subsequent changes in the fair value.

##### **(A)(3) Derivatives**

Derivatives recorded at fair value through profit or loss

##### **Impairment of Financial Assets / Expected Credit Losses ("ECL")**

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments, trade receivables and other financial assets. Expected Credit Loss ("ECL") is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate.

##### **# Simplified Approach**

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.



### # Stages Approach

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-Months ECL ("12mECL") is used to provide for impairment loss. However, if credit risk is increased significantly, Life Time ECL ("LTECL") is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group revert to recognising impairment loss allowance based on 12-months ECL.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due ("DPD") is considered to be applicable for all the facilities of that borrower.

The Group calculates ECL based on total loans receivable (including accrued interest) which are divided into segments based upon the industry in which the customer is operating.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon.

EAD - The Exposure at Default ("EAD") is an estimate of the exposure at a reporting date, taking into account repayments of principal and interest, whether scheduled by contract or otherwise and accrued interest from missed repayments. The EAD is sum total of outstanding principal and accrued interest, if any, on the reporting date.

LGD - The Loss Given Default ("LGD") is an estimate of the loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2, Stage 3, as described below:

**Stage 1:** The 12mECL represents expected credit loss from default events on a financial instrument that are possible within the 12 months from the reporting date. These expected 12 months default probabilities are applied to the Exposure at Defaults ("EAD") and multiplied by the expected Loss Given Defaults ("LGD") and discounted by an approximation to the Rete of Interest ("ROI") as at reporting date.

**Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL. The mechanism is similar to that explained above, but the Probability of Default ("PD") and LGD are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the ROI as at reporting date.

**Stage 3:** For loans considered credit impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2.

**Collateral Valuation:** To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of ECLs.

In case of housing loans collateral valuation, it is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. In case of non-housing loans collateral valuation is assessed, at inception and re-assessed annually for credit impaired financial assets. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued by Group's empaneled valuers.

**Purchased or Originated Credit Impaired ("POCI"):** The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI. For POCI financial assets, the Company only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value



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### For the year ended March 31, 2019

at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

However, as per circular NHB / DRS / Policy Circular No-88 / 89 / 2017-18, Housing Finance Companies ("HFC") are required to follow the extant direction on Prudential Norms, including on assets classification, provisioning etc. issued by the National Housing Bank ("NHB").

In its ECL models, the Group companies rely on a broad range of forward looking information as economic inputs, such as: GDP growth. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

#### **Write-offs**

The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Any subsequent recoveries are credited in the Statement of Profit and Loss.

#### **(B) Financial Liabilities and Equity**

Debt and equity instruments, issued by the Group Companies, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **(B)(1) Equity**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

##### **(B)(2) Financial Liabilities**

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

The measurement of financial liabilities depends on their classification, as described below:

##### **(B)(2)(i) Financial Liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

##### **(B)(2)(ii) Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Preference shares that are compulsorily redeemable on a specific date, are classified as liabilities. The dividend on that preference shares are recognised in the Statement of Profit and Loss as finance cost.

##### **(B)(2)(iii) Financial guarantees and undrawn loan commitments**

Financial guarantees are initially recognised in the financial statements at fair value, being the premium/deemed premium received. The premium/deemed premium is recognised in the Statement of Profit and Loss on a straight line basis over the life of the guarantee.

Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the ECL



on guarantee and amount initially recognised less cumulative amortisation recognised in the Statement of Profit and Loss.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are reported as contingent liabilities in the financial statements.

**(iii) Derecognition**

**(A) Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

# The rights to receive cash flows from the financial asset have expired, or

# It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows, in full, without material delay to a third party under a 'pass-through' arrangement; and either (a) Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

**(B) Financial Liabilities**

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

**(iv) Reclassification of Financial Instruments**

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**(v) Offsetting Financial Instruments**

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is a legally enforceable right to set off the amounts and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(vi) Effective Interest Rate Method**

Under Ind AS 109 interest income and expenses are recorded using the Effective Interest Rate ("EIR") method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset or liabilities) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income and expenses using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset or liabilities are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income / expense. The adjustment is subsequently amortised through Interest income / expense in the statement of profit and loss.

For more information on financial instruments please refer Note 48.

#### (I) DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group estimates the value of its own credit from market observable data, such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debts on itself.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period. Refer Note 48.

#### (m) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

- (i) **Insurance Premium Income:** Premium written including reinstatement premium is recognized as income over the contract period or period of risk, whichever is appropriate, on a gross basis, net of Goods and Service Tax("GST"). However, in case of government scheme / policy, the premium is recognized to the extent of certainty of its realization. Any subsequent revision to premium as and when they occur are recognized over the remaining period of risk or contract period, as applicable. Adjustments to premium arising on cancellation of policies are recognized in the period in which it is cancelled. The Net Premium Written is adjusted / netted of by the amount of movement of Unearned Premium Reserve to arrive at the net premium earned.

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with



reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

- (ii) **Income From Reinsurance Ceded:** Commission on reinsurance ceded is adjusted/netted off from commission expense in the period of ceding the risk.

Profit Commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of profits and combined with commission on reinsurance ceded.

- (iii) **Dividend Income:** It is recognised when the Group's right to receive the payment has been established.

- (iv) **Interest Income:** Interest income on financial instruments are recorded using the Effective Interest Rate ("EIR") to the gross carrying amount of financial assets other than credit-impaired assets. EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired interest income is calculated by applying the EIR to the net amortised cost of the financial asset subject to availability of security and management estimate regarding recoverability. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income is recognised in the consolidated statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the consolidated statement of profit and loss.

Interest income is recognised in the consolidated statement of profit and loss for FVTPL debt instruments.

- (v) **Net Gain / Loss on Fair value Changes:** Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group as on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised as income and if there is a net loss the same is disclosed as expenses.

- (vi) **Broking Income:** Revenue from broking activities are accounted on the trade date of transaction.

- (vii) **Interest Income From Delayed Payments:** Delayed Payment Charge is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable, where there is no uncertainty regarding the realisation.

- (viii) **Income from depository operation** except for Annual Maintenance Charges ("AMC") is accounted for on accrual basis. AMC are recognised on time basis over the period of contract.

- (ix) **Other Income**

- Charges recoverable from customers are recognised upon receipt of the same.
- Income from mutual fund investment is recognised upon receipt of the same.
- Income from brokerage is recognized on accrual basis when the Group satisfies the performance obligation.
- Profit/Loss earned on sale of Investment is recognised on trade date basis, net of expenses. The cost of Investment is computed based on weighted average basis.
- Income from Trading of Bullion/Agri Commodities is recognized on accrual basis.
- Income from Trading in Derivative Transactions is recognized on accrual basis.

- (x) Revenue excludes Goods and Service Tax ("GST"), Service Tax, Value Added Tax ("VAT") and Securities Transaction Tax ("STT"), as applicable.

- (n) **UNEARNED PREMIUM RESERVE ("UPR") / UNEXPIRED RISK RESERVE ("URR")**

Unearned Premium Reserve represents that part of the net written insurance premium (i.e. premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the insurance company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, and is created at 50% of the net written premium of preceding twelve months as at the Balance Sheet date.





**(o) CLAIMS (IN INSURANCE BUSINESS)**

Claims are recognized as and when reported. Claims are recorded, net of claims recoverable from reinsurers / co-insurers to the extent there is a reasonable certainty of realization. These estimates are progressively revalued on the availability of further information. Estimated liability in respect of claims is provided for, based on the intimations received up to the year end, information / estimates provided by the insured / surveyors / Third Party Administrators ("TPA") and judgment based on the past experience and other applicable laws and practices.

Claims Incurred but Not Reported ("IBNR") represent that amount of claims that may have been incurred prior to the end of the current accounting year but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims Incurred but Not Enough Reported ("IBNER"). IBNR and IBNER liabilities are provided based on actuarial principles and certified annually by the Appointed Actuary of the insurance company. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Appointed Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA.

Further claims incurred also include specific claims settlement costs such as survey / legal fees / TPA fees and other directly attributable costs.

**(p) IMPAIRMENT OF NON-FINANCIAL ASSETS**

The Group assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period(s). If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year(s).

**(q) CASH AND CASH EQUIVALENTS**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, where bank overdrafts which are repayable on demand form an integral part of the Group companies' cash management, bank overdrafts are included as a component of cash and cash equivalents. In the consolidated balance sheet, bank overdrafts are presented under borrowings.

**(r) BUSINESS COMBINATION**

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises 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. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.



Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

**(s) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION**

**(i) Transactions and balances**

Initial recognition: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion: Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of recognition.

**(ii) Foreign operations**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period.

Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve ("FCTR"), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed of, the relevant amount recognised in FCTR is transferred to the consolidated Statement of Profit and Loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

**(t) RETIREMENT AND OTHER EMPLOYEE BENEFITS**

**Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the year. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the year in which the employees render the related service.

**Post Employment Employee Benefits**

**(i) Defined Contribution Schemes**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

**(ii) Defined Benefit Schemes**

The Group companies operate defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income ("OCI") in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:



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- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Standalone statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### **Other Employee Benefits**

##### **Compensated Absences/Leave Encashment**

The employees of the Group are entitled leave benefits as per the policy of the Group. The liability for compensated absences is accrued based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Group companies' obligations are determined based on the Projected Unit Credit Method at the end of each year.

Actuarial gains or losses arising on account of actuarial reports are recognized in the other comprehensive income ("OCI") in the year in which they arise.

The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the service.

##### **Share Based Payments**

Employees of the Group receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' over the vesting period with a corresponding increase in equity. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes or other model. At the end of each reporting period, apart from the non market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group companies issues fresh equity shares.

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

#### **(u) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

#### **(v) DIVIDENDS ON ORDINARY SHARES**

The Group recognises a liability to make cash or non-cash distributions to equity shares holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

**(w) NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL COMPANY**

The Group classifies non-current assets and disposal group as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal group), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
  - Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value (as on the date when such classified) less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

**(x) MARKET LINKED DEBENTURES**

Religare Finvest Limits ("RFL"), a subsidiary of the Company has issued certain Non-Convertible Debentures ("NCDs"), the rate of interest on which is linked to performance of S&P CNX NIFTY index with a floor and a cap on the amount of interest payable. The interest expense for such debentures is accrued at the cap rate over the tenure of the instrument.

The RFL has hedged the interest rate risk related to the movement of index by purchasing offsetting options. These options are valued at mark to market and loss on such valuation is charged to the Statement of Profit and Loss and profit on the mark to market is ignored.

**(y) FULLY AND PARTIALLY PAID DEBENTURES**

RFL has issued combination of fully and partially paid secured Non-Convertible Debentures, with different coupon rate and different tenor to achieve consistent cash flow throughout the entire tenor of Non-Convertible Debentures. Even though the interest is lower in the initial period, on conservative basis, the interest has been accrued on IRR basis i.e. the total interest expense for each of such series of debentures is accrued on a weighted average rate of interest and on monthly compounding.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 4. Cash and Cash Equivalents

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| Cash On Hand  | 2.32                    | 5.07                    | 7.73                   |
| Balances With Banks                                     |                         |                         |                        |
| # In Current Accounts                                   | 14,837.51               | 45,668.55               | 68,078.37              |
| # In Fixed Deposits With Maturity Of Less Than 3 Months | 2,150.00                | 3,862.00                | 82,986.99              |
| Cheques On Hand   | 291.08                  | 1,204.50                | 3,488.54               |
| Stamp Papers On Hand                                    | 22.52                   | 27.94                   | 33.04                  |
| <b>Total</b>  | <b>17,303.43</b>        | <b>50,768.06</b>        | <b>154,594.67</b>      |

Cash and cash equivalents consists of the following for the purpose of the 'cash flow statement':

| Particulars                          | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--------------------------------------|-------------------------|-------------------------|------------------------|
| Cash and Cash Equivalents (as above) | 17,303.43               | 50,768.06               | 154,594.67             |
| Bank Overdrafts                      | (5,327.48)              | (9,375.19)              | (2,198.43)             |
| <b>Total</b>                         | <b>11,975.95</b>        | <b>41,392.87</b>        | <b>152,396.24</b>      |

### 5. Bank Balances (Other than Cash and Cash Equivalent)

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Fixed deposit with maturity for less than 12 months (Refer Note 5.1) | 32,858.04               | 44,556.67               | 47,539.04              |
| Unpaid / Unclaimed Dividend Account (Refer Note 24.1)                | -                       | -                       | 2.09                   |
| Other (Refer Note 5.2)   | 79,144.77               | 79,144.77               | -                      |
| <b>Total</b>   | <b>112,002.81</b>       | <b>123,701.44</b>       | <b>47,541.13</b>       |

#### 5.1 Details of Fixed Deposits kept as security\*

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| (a) Margin money or security against Guarantee        |                         |                         |                        |
| - Pledged with Banks for Guarantees Taken             | 15,126.04               | 17,909.94               | 32,004.21              |
| - Pledge with Banks for Overdraft and other Facility  | 3,727.50                | 5,377.76                | 6,030.45               |
| (b) Margin money or security against other Commitment |                         |                         |                        |
| - Security with Tax Authorities /for License          | 10.17                   | 2,447.25                | 185.17                 |
| - Pledge with Securities Exchanges as Margin          | 14,575.66               | 14,576.43               | 9,733.04               |
| - Pledge with Banks for Assignment of Loans           | -                       | 2,952.93                | 1,985.89               |
| - Other Legal Cases                                   | -                       | 3.00                    | 4.24                   |
| - Submitted to Stock Exchange for arbitration cases   | 32.10                   | 65.19                   | 66.24                  |
| - Others  | 40.74                   | 81.99                   | 165.10                 |
| <b>Total</b>  | <b>33,512.21</b>        | <b>43,414.49</b>        | <b>50,174.34</b>       |

\* includes Fixed deposit accounts with maturity for more than 12 months (Refer Note 9).

- 5.2 (i) Religare Finvest Limited ("RFL"), a subsidiary of the Company had filed a suit for recovery of amounts misappropriated by the Lakshmi Vilas Bank ("LVB") placed as Fixed Deposits with it on May 31, 2018 before the Hon'ble Delhi High Court. The Hon'ble High Court was pleased to pass interim Orders directing that status quo be maintained in respect of RFL's current account maintained with LVB.



- (ii) It is pertinent to mention here that LVB has sought to delay the adjudication of the interim reliefs and the suit for recovery sought by RFL by filing multiple applications, all of which have been kept in abeyance by the Hon'ble Court till such time RFL's applications for interim reliefs are disposed of. The pleadings in the matter are now complete, in as much as LVB has filed a reply to RFL's suit and RFL has filed its rejoinder to the same. LVB has further filed a sur rejoinder to the rejoinder filed by RFL. Strategic Credit Capital Private Limited and Participation Finance And Holdings (India) Private Limited have filed applications to be impleaded in the matter, which are yet to be adjudicated on by the Hon'ble Court. The case has been fixed for arguments on interim applications filed by RFL for various dates since July 19, 2018 till March 11, 2019. On 11 March, 2019 arguments were addressed at length by the counsel of Plaintiff. The Hon'ble Court was pleased to reserve order on the interim application on April 12, 2019. No further date has been given by the Court. (Refer Note 47(a))

(Amount in ₹ lakhs, unless otherwise stated)

## 6. Trade Receivables

| Particulars                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| Secured, considered good                          | 26,017.42               | 27,324.70               | 59,689.77              |
| Unsecured, considered good                        | 8,612.71                | 3,427.28                | 3,441.84               |
| Which have significant increase in credit risk    | 2,821.04                | 2,702.13                | 2,343.70               |
| Credit impaired                                   | 979.07                  | -                       | -                      |
|   | 38,430.24               | 33,454.11               | 65,475.31              |
| Less: Allowance for lifetime expected credit loss | 3,800.11                | 2,702.14                | 2,343.70               |
| <b>Total</b>                                      | <b>34,630.13</b>        | <b>30,751.97</b>        | <b>63,131.61</b>       |

It includes Rs 0.57 Lakhs (March 31, 2018: Rs 0.42 and April 1, 2017: Rs 55.62) due from related parties. (For detail refer Note 54)

The movement in the allowance for lifetime expected credit loss is given below:

| Particulars                             | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year    | (2,702.14)              | (2,343.70)              |
| Additions during the year (net)         | (1,097.97)              | (358.44)                |
| Purchased or originated credit-impaired | -                       | -                       |
| <b>Balance at the end of the year</b>   | <b>(3,800.11)</b>       | <b>(2,702.14)</b>       |

## 7. Loans

| Particulars                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---------------------------------|-------------------------|-------------------------|------------------------|
| <b>Valued at Amortised Cost</b> |                         |                         |                        |
| <b>(A) Nature of Loans</b>      |                         |                         |                        |
| - Loans Repayable on Demands    | -                       | -                       | -                      |
| - Term Loans                    | 770,338.69              | 1,054,191.04            | 1,509,761.94           |
| <b>Total (A) - Gross</b>        | <b>770,338.69</b>       | <b>1,054,191.04</b>     | <b>1,509,761.94</b>    |
| Less: Impairment Loss Allowance | 264,778.92              | 140,900.76              | 18,707.90              |
| <b>Total (A) - Net</b>          | <b>505,559.77</b>       | <b>913,290.28</b>       | <b>1,491,054.04</b>    |





# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars                             | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>(B) Security of Loans</b>            |                         |                         |                        |
| - Secured by Tangible Assets            | <b>531,380.08</b>       | 819,538.21              | 1,221,770.59           |
| - Secured by Intangible Assets          | <b>314.59</b>           | 328.97                  | 275.83                 |
| - Unsecured                             | <b>238,644.02</b>       | 234,323.86              | 287,715.52             |
| <b>Total (B) - Gross</b>                | <b>770,338.69</b>       | 1,054,191.04            | 1,509,761.94           |
| Less: Impairment Loss Allowance         | <b>264,778.92</b>       | 140,900.76              | 18,707.90              |
| <b>Total (B) - Net</b>                  | <b>505,559.77</b>       | 913,290.28              | 1,491,054.04           |
| <b>(C) (I) Loans in India</b>           |                         |                         |                        |
| - Public Sector                         | -                       | -                       | -                      |
| - Others                                | <b>770,338.69</b>       | 1,054,191.04            | 1,509,761.94           |
| <b>Total (C) (I) - Gross</b>            | <b>770,338.69</b>       | 1,054,191.04            | 1,509,761.94           |
| Less: Impairment Loss Allowance         | <b>264,778.92</b>       | 140,900.76              | 18,707.90              |
| <b>Total (C) (I) - Net</b>              | <b>505,559.77</b>       | 913,290.28              | 1,491,054.04           |
| <b>(C) (II) Loans outside India</b>     |                         |                         |                        |
| - Public Sector                         | -                       | -                       | -                      |
| - Others                                | -                       | -                       | -                      |
| <b>Total (C) (II) - Gross</b>           | -                       | -                       | -                      |
| Less: Impairment Loss Allowance         | -                       | -                       | -                      |
| <b>Total (C) (II) - Net</b>             | -                       | -                       | -                      |
| <b>Total (C) (I) and (C) (II) - Net</b> | <b>505,559.77</b>       | 913,290.28              | 1,491,054.04           |

7.1 Secured Loans given by the Group are secured by property, plant & equipment, vehicles, receivables, equitable mortgage of properties, tradable listed / unlisted securities held by the Group companies in their depository accounts or by way of pledge of shares held in the depository account of the clients for which Power of Attorneys are held by the Group companies; or by direct pledge of shares by the client in favor of the Group companies.

7.2 Religare Finvest Limited ("RFL"), a subsidiary of the Company has an exposure of Rs 203,670.00 Lakhs as per financials as at March 31, 2019 towards the Corporate Loan Book ("CLB"). Reserve Bank of India ("RBI") has raised concerns in the past about the credit worthiness of the borrowers, credit appraisal and loan sanctioning mechanism followed by RFL in respect of this book. The management has reviewed the portfolio and the financial reports of the borrowers to determine the recoverability of the said loans. Based on the maturity dates of the loans, recovery steps instituted and the financial reports of the borrowers, RFL has, on a prudent basis, made full provision of Rs 203,670.00 Lakhs as at March 31, 2019 against this portfolio.

A law firm of repute was appointed to undertake a detailed diligence on this CLB and the said diligence has been completed. Insolvency proceedings have been initiated before the NCLT, Delhi and Kolkata against the borrowers forming a part of the CLB. The Insolvency Petitions filed before the NCLT, New Delhi were listed on March 27, 2019 for addressing arguments for the admission of petitions. Arguments were heard at length on the said date and the Hon'ble NCLT was pleased to reserve its order and requested the counsels for all the parties to file their written submissions. Order Reserved for admission but the proceedings are stayed by Hon'ble Supreme Court vide order dated April 5, 2019. Based on the due diligence report and the replies filed by the borrowers before the Hon'ble NCLT, RFL has also filed a criminal complaint before the Economic Offence Wing ("EOW"), Delhi, on which a F.I.R. No. 50/2019 has been registered and is under investigation.

Whereas, the Insolvency Petition titled as "Religare Finvest Limited vs. Bharat Road Network Limited" filed before the Hon'ble NCLT, Kolkata was listed for admission hearing on March 29, 2019. The corporate debtor / borrower was granted last opportunity to file its reply within 3 days and rejoinder to be filed by RFL within 7 days thereafter. The matter got listed on May 17, 2019 but due to strike the matter was not heard and renotified for July 18, 2019. During the year ended March 31, 2019, there is no movement in this portfolio.



- 7.3** During the year, Religare Housing Development Finance Corporation Limited ("RHDFCL"), a subsidiary of the Company has received Rs 468.51 lakhs against 201 customers towards Interest Subsidy and Rs 5.50 lakhs towards processing fee (Rs 4.95 lakhs credited in RHDFCL's bank account and Rs 0.55 lakhs credited in 26AS i.e. Tax Deducted at Source) under Pradhan Mantri Awas Yojana ("PMAY") – Credit Linked Subsidy Scheme ("CLSS") from National Housing Bank ("NHB"). Out of this, Rs 24.66 lakhs towards Interest Subsidy and Rs 0.27 lakhs towards processing fee has been refunded back to NHB due to reasons such as foreclosure, Non-performing assets, etc.
- 7.4** The Company has filed a petition under section 7 of Insolvency and Bankruptcy Code, 2016 against ANR Securities Private Limited on October 09, 2018 for recovery of outstanding loan and interest thereon amounting to Rs 8,139.66 Lakhs. The arguments were heard, however the Order reserved by Hon'ble NCLT on the admission of petition has been stayed by the Hon'ble Supreme Court vide order dated April 05, 2019.
- 7.5 Credit Quality of Assets**

The tables below show the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

(Amount in ₹ lakhs, unless otherwise stated)

| Internal Rating Grade | As at March 31, 2019 |                  |                   |                   |
|-----------------------|----------------------|------------------|-------------------|-------------------|
|                       | Stage 1              | Stage 2          | Stage 3           | Total             |
| Standard              | 327,021.12           | 65,966.42        | 293.59            | 393,281.13        |
| Sub-standard          | -                    | -                | 49,399.15         | 49,399.15         |
| Doubtful              | -                    | -                | 327,569.04        | 327,569.04        |
| Loss                  | -                    | -                | 89.37             | 89.37             |
| <b>Total</b>          | <b>327,021.12</b>    | <b>65,966.42</b> | <b>377,351.15</b> | <b>770,338.69</b> |

| Internal Rating Grade | As at March 31, 2018 |                  |                   |                     |
|-----------------------|----------------------|------------------|-------------------|---------------------|
|                       | Stage 1              | Stage 2          | Stage 3           | Total               |
| Standard              | 598,045.05           | 89,755.47        | 4,920.71          | 692,721.23          |
| Sub-standard          | -                    | -                | 302,191.29        | 302,191.29          |
| Doubtful              | -                    | -                | 59,243.60         | 59,243.60           |
| Loss                  | -                    | -                | 34.92             | 34.92               |
| <b>Total</b>          | <b>598,045.05</b>    | <b>89,755.47</b> | <b>366,390.52</b> | <b>1,054,191.04</b> |

| Internal Rating Grade | As at April 1, 2017 |                   |                   |                     |
|-----------------------|---------------------|-------------------|-------------------|---------------------|
|                       | Stage 1             | Stage 2           | Stage 3           | Total               |
| Standard              | 1,191,760.57        | 211,521.91        | 30,065.15         | 1,433,347.63        |
| Sub-standard          | -                   | -                 | 51,639.12         | 51,639.12           |
| Doubtful              | -                   | -                 | 24,663.06         | 24,663.06           |
| Loss                  | -                   | -                 | 112.13            | 112.13              |
| <b>Total</b>          | <b>1,191,760.57</b> | <b>211,521.91</b> | <b>106,479.46</b> | <b>1,509,761.94</b> |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 7.6 Analysis of changes in the gross carrying amount as follows:

| Particulars   | Year Ended March 31, 2019 |                  |                   |                     |
|---|---------------------------|------------------|-------------------|---------------------|
|   | Stage 1                   | Stage 2          | Stage 3           | Total               |
| <b>Gross Carrying Amount Opening Balance</b>  | <b>598,045.06</b>         | <b>89,755.46</b> | <b>366,390.52</b> | <b>1,054,191.04</b> |
| New Assets Originated or Purchased*   | 11,873.46                 | 269.91           | 4,703.38          | 16,846.75           |
| Assets Derecognised or Repaid (excluding write offs)                                  | (236,321.95)              | (18,575.23)      | (55,899.20)       | (310,796.38)        |
| Change in Fair Value  | -                         | -                | -                 | -                   |
| Transfers to / (from) Stage 1   | 17,465.07                 | (16,106.11)      | (1,358.96)        | -                   |
| Transfers to / (from) Stage 2   | (39,121.27)               | 40,474.00        | (1,352.73)        | -                   |
| Transfers to / (from) Stage 3   | (24,725.05)               | (29,677.61)      | 71,288.04         | 16,885.38           |
| Changes to contractual cash flows due to modifications not resulting in derecognition | -                         | -                | -                 | -                   |
| Amounts written off   | (194.20)                  | (174.01)         | (6,419.89)        | (6,788.10)          |
| <b>Gross Carrying Amount Closing Balance</b>  | <b>327,021.12</b>         | <b>65,966.41</b> | <b>377,351.16</b> | <b>770,338.69</b>   |

| Particulars   | Year Ended March 31, 2018 |                   |                   |                     |
|---|---------------------------|-------------------|-------------------|---------------------|
|   | Stage 1                   | Stage 2           | Stage 3           | Total               |
| <b>Gross Carrying Amount Opening Balance</b>  | <b>1,191,760.57</b>       | <b>211,521.91</b> | <b>106,479.47</b> | <b>1,509,761.95</b> |
| New Assets Originated or Purchased*   | 89,697.93                 | 2,203.02          | 78,505.84         | 170,406.79          |
| Assets Derecognised or Repaid (excluding write offs)                                  | (499,941.38)              | (36,327.14)       | (76,063.35)       | (612,331.87)        |
| Change in Fair Value  | -                         | -                 | -                 | -                   |
| Transfers to / (from) Stage 1   | 10,690.80                 | (8,894.82)        | (1,795.99)        | -                   |
| Transfers to / (from) Stage 2   | (68,102.99)               | 68,434.24         | (331.25)          | -                   |
| Transfers to / (from) Stage 3   | (125,983.28)              | (146,596.25)      | 272,579.53        | -                   |
| Changes to contractual cash flows due to modifications not resulting in derecognition | -                         | -                 | -                 | -                   |
| Amounts written off   | (76.59)                   | (585.50)          | (12,983.73)       | (13,645.82)         |
| <b>Gross Carrying Amount Closing Balance</b>  | <b>598,045.06</b>         | <b>89,755.46</b>  | <b>366,390.52</b> | <b>1,054,191.04</b> |

\* Includes Restructured Cases

### 7.7 Reconciliation of ECL balance :

| Particulars  | Year Ended March 31, 2019 |               |                   |                   |
|--|---------------------------|---------------|-------------------|-------------------|
|  | Stage 1                   | Stage 2       | Stage 3           | Total             |
| <b>ECL - Opening Balance</b>   | <b>3,402.07</b>           | <b>390.04</b> | <b>137,108.65</b> | <b>140,900.76</b> |
| New Assets Originated or Purchased*  | 73.54                     | 36.98         | 128,759.87        | 128,870.39        |
| Assets Derecognised or Repaid (excluding write offs)                           | (1,153.13)                | (261.35)      | (2,041.26)        | (3,455.74)        |
| Transfers to / (from) Stage 1  | 213.66                    | (60.81)       | (152.85)          | -                 |
| Transfers to / (from) Stage 2  | (150.92)                  | 340.07        | (189.15)          | -                 |
| Transfers to / (from) Stage 3  | (114.69)                  | (151.23)      | 265.91            | -                 |
| Impact on year end ECL of exposures transferred between stages during the year | -                         | -             | -                 | -                 |
| Unwind of Discount (Recognised in Interest Income)                             | -                         | -             | (535.68)          | (535.68)          |
| Amounts Written off  | -                         | -             | (1,000.80)        | (1,000.80)        |
| Changes to Models and Inputs used for ECL Calculations                         | -                         | -             | -                 | -                 |
| <b>ECL - Closing Balance</b>   | <b>2,270.53</b>           | <b>293.70</b> | <b>262,214.69</b> | <b>264,778.92</b> |



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Year Ended March 31, 2018 |               |                   |                   |
|--|---------------------------|---------------|-------------------|-------------------|
|  | Stage 1                   | Stage 2       | Stage 3           | Total             |
| <b>ECL - Opening Balance</b>   | <b>6,919.54</b>           | <b>882.84</b> | <b>10,905.52</b>  | <b>18,707.90</b>  |
| New Assets Originated or Purchased*  | 337.13                    | 31.70         | 122,366.87        | 122,735.70        |
| Assets Derecognised or Repaid (excluding write offs)                           | (2,731.47)                | (165.86)      | (1,845.96)        | (4,743.29)        |
| Transfers to / (from) Stage 1  | 283.57                    | (30.30)       | (253.27)          | -                 |
| Transfers to / (from) Stage 2  | (281.07)                  | 314.61        | (33.54)           | -                 |
| Transfers to / (from) Stage 3  | (1,125.63)                | (642.95)      | 1,768.58          | -                 |
| Impact on year end ECL of exposures transferred between stages during the year | -                         | -             | 6,295.83          | 6,295.83          |
| Unwind of Discount (Recognised in Interest Income)                             | -                         | -             | (208.39)          | (208.39)          |
| Amounts Written off  | -                         | -             | (1,886.99)        | (1,886.99)        |
| Changes to Models and Inputs used for ECL Calculations                         | -                         | -             | -                 | -                 |
| <b>ECL - Closing Balance</b>   | <b>3,402.07</b>           | <b>390.04</b> | <b>137,108.65</b> | <b>140,900.76</b> |

\* Includes Restructured Cases

## 8. Investments

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>(A) Investments Measured at Amortised Cost</b>   |                         |                         |                        |
| - Government Securities   | 43,239.95               | 29,485.20               | 19,570.22              |
| - Debt Securities   | 23,012.81               | 20,516.43               | 35,419.75              |
| - Joint Ventures - Using Equity Method  |                         |                         |                        |
| IBOF Investment Management Private Limited<br>(Refer Note 2.2(B))                           | 35.52                   | 44.47                   | 67.45                  |
| - Preference Shares (Fully Paid-up)   |                         |                         |                        |
| Religare Capital Markets Limited<br>(0.002% Cumulative Non-Convertible) (Refer Note 2.2(C)) | 18,500.00               | 18,500.00               | 18,500.00              |
| - Preference Shares (Fully Paid-up) - Others  | 40.95                   | 40.95                   | 40.95                  |
| - Others  | 0.36                    | 0.36                    | 0.36                   |
| <b>(B) Investments Measured at Fair Value Through Profit or Loss</b>                        |                         |                         |                        |
| - Mutual Funds  | 4,099.95                | 16,081.60               | 41,405.52              |
| - Alternative Investment Funds ("AIF") / Venture Capital Funds                              | 2,107.55                | 3,168.16                | 8,601.65               |
| - Pass Through Certificates   | -                       | 442.47                  | 1,336.02               |
| - Equity Instruments (Fully Paid-up)  | -                       | 1,680.70                | 1,316.00               |
| - Others (RARC 059 (RHDFC HL) Trust) (Refer Note 48(g)(ii))                                 | 1,936.81                | -                       | -                      |
| <b>(C) Investments Measured at Fair Value Through Other Comprehensive Income</b>            |                         |                         |                        |
| - Equity Instruments (Fully Paid-up)  | 887.81                  | 783.75                  | 500.00                 |
| - Other Approved (by IRDA) Securities   | 81,459.04               | 53,513.94               | 29,065.46              |
| <b>Total - Gross (A + B + C)</b>  | <b>175,320.75</b>       | <b>144,258.03</b>       | <b>155,823.38</b>      |
| (i) Investments outside India   | -                       | -                       | -                      |
| (ii) Investments in India   | 175,320.75              | 144,258.03              | 155,823.38             |
| <b>Total (D)</b>  | <b>175,320.75</b>       | <b>144,258.03</b>       | <b>155,823.38</b>      |
| Less: Allowance for Impairment Loss (E)   | 31,545.65               | 24,540.95               | 18,540.95              |
| <b>Total - Net [ (A + B + C) - (E) ]</b>  | <b>143,775.10</b>       | <b>119,717.08</b>       | <b>137,282.43</b>      |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

### 8.1 Breakup of the provision for diminution in value of long term investments is as under:

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Preference Shares - Religare Capital Markets Limited                   | 18,500.00               | 18,500.00               | 18,500.00              |
| Preference Shares - Netambit Infosource and E-Services Private Limited | 40.95                   | 40.95                   | 40.95                  |
| Debt Securities - OSPL Infradeal Private Limited                       | 13,004.70               | 6,000.00                | -                      |
| <b>Total</b>   | <b>31,545.65</b>        | <b>24,540.95</b>        | <b>18,540.95</b>       |

### 9. Other Financial Assets

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| Security Deposits   |                         |                         |                        |
| - With Stock Exchanges  | 453.25                  | 378.25                  | 293.25                 |
| - With Others   | 2,501.74                | 2,388.82                | 2,351.28               |
| Less: Loss Allowance Against Security Deposits                | (143.34)                | (126.03)                | -                      |
| Interest Accrued (Note 9.1)                                   | 9,423.03                | 6,383.51                | 6,122.52               |
| Less: Loss Allowance Against Interest Accrued                 | (532.65)                | (190.87)                | -                      |
| Other Bank balances   |                         |                         |                        |
| - Fixed Deposit Account (Refer Note 5.1)                      | 1,025.32                | 4,346.80                | 8,287.99               |
| Deferred Consideration*                                       | -                       | -                       | 113.90                 |
| Less: Loss Allowance Against Deferred Consideration           | -                       | -                       | (69.00)                |
| Excess Interest Spread  | 2,043.42                | 3,296.71                | 7,526.74               |
| Less: Loss Allowance Against Excess Interest Spread           | 13.12                   | (23.22)                 | -                      |
| Recoverable for Support Services (Refer Note 9.2)             | 439.14                  | 554.01                  | 442.13                 |
| Less: Loss Allowance Against Recoverable for Support Services | (430.01)                | (380.10)                | (103.52)               |
| Staff Advances**  | 1,624.74                | 99.38                   | 146.30                 |
| Advances to Related Parties                                   | 39.65                   | 83.46                   | 403.73                 |
| Margin with Exchanges   | 3,440.42                | 1,383.55                | 742.71                 |
| Margin with Custodian   | 1.00                    | 1.00                    | 1.00                   |
| Others  | 1,026.15                | 786.21                  | 1,556.38               |
| Less: Loss Allowance Against Others                           | (879.98)                | (813.57)                | (194.39)               |
| <b>Total</b>  | <b>20,045.00</b>        | <b>18,167.91</b>        | <b>27,621.02</b>       |

\* Against sale of investment of in subsidiary companies.

\*\* Included Rs 1,499.99 Lakhs (March 31, 2018: Nil and April 1, 2017: Nil) advance given by the Company to the employees of Religare Health Insurance Company Limited ("RHICL") for buying shares of RHICL through exercising shares options granted and vested to them under ESOP scheme of RHICL.

9.1 Interest Accrued includes interest on fixed deposits with LVB amounting to Rs 2,703.40 Lakhs ( March 31, 2018: Rs 1,010.88 Lakhs). Also Refer Note 5.2.

### 9.2 Recoverable for Support Services

| Particulars                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| Secured, considered good                          | -                       | -                       | -                      |
| Unsecured, considered good                        | 439.14                  | 554.01                  | 442.13                 |
| Which have significant increase in credit risk    | -                       | -                       | -                      |
| Credit impaired                                   | -                       | -                       | -                      |
|   | 439.14                  | 554.01                  | 442.13                 |
| Less: Allowance for lifetime expected credit loss | (430.01)                | (380.10)                | (103.52)               |
| <b>Total</b>                                      | <b>9.13</b>             | <b>173.91</b>           | <b>338.61</b>          |



(Amount in ₹ lakhs, unless otherwise stated)

**10. Inventories**

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>Closing Stock of</b>                                |                         |                         |                        |
| - Commodities  | -                       | -                       | 68.92                  |
| - Digital Signature Certificate ("DSC") and USB Tokens | 9.67                    | 4.05                    | 2.56                   |
| <b>Total</b>   | <b>9.67</b>             | <b>4.05</b>             | <b>71.48</b>           |

(Refer Note 3(ii))

**11. Current Tax Assets (Net)**

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Advance Income Tax and Tax Deducted at Source (Net of Provision for Tax March 31, 2019: Rs 56,929.91 Lakhs (March 31, 2018: Rs 124,862.29 Lakhs and April 1, 2017: Rs 123,095.56 Lakhs)) | 32,760.93               | 30,641.37               | 22,204.27              |
| <b>Total</b>   | <b>32,760.93</b>        | <b>30,641.37</b>        | <b>22,204.27</b>       |

**12. Deferred Tax Assets (Net)**

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>The balance comprises temporary differences attributable to:</b> |                         |                         |                        |
| <b>(A) Deferred Tax Assets</b>                                      |                         |                         |                        |
| Expected Credit Losses Allowance                                    | 50,528.84               | 30,890.32               | 12,067.97              |
| Provision for Employee Benefits                                     | 186.16                  | 215.86                  | 312.15                 |
| Carry Forward Losses  | 836.77                  | 19,902.66               | 15,699.42              |
| Property, Plant and Equipments                                      | 1,048.79                | 1,115.79                | 1,140.74               |
| MAT Credit Entitlement  | 267.87                  | 171.61                  | 669.27                 |
| Others  | 204.95                  | 421.26                  | 683.54                 |
| <b>Total (A)</b>  | <b>53,073.38</b>        | <b>52,717.50</b>        | <b>30,573.09</b>       |
| <b>(B) Deferred Tax Liabilities</b>                                 |                         |                         |                        |
| Deduction Under Section 36(1)(viii) of Income Tax Act, 1961         | 687.43                  | 775.43                  | 778.52                 |
| Others  | 3.53                    | 247.79                  | 355.30                 |
| <b>Total (B)</b>  | <b>690.96</b>           | <b>1,023.22</b>         | <b>1,133.82</b>        |
| <b>Total Net (A-B)</b>  | <b>52,382.42</b>        | <b>51,694.28</b>        | <b>29,439.27</b>       |

(Refer Note 43)





## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

The movement on the deferred tax account is as follows:

| Particulars  | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|--|--|--|
| <b>At the beginning of the year</b>  | <b>51,694.28</b>                           | 29,439.27                                  |
| Credit / (charge) in the Consolidated Statement of Profit and Loss (Net) (For detail refer Note 43(a)) | <b>591.87</b>                              | 22,752.66                                  |
| MAT Credit Entitlement Created / (Reversed) in the Consolidated Statement of Profit and Loss (Net)     | <b>96.27</b>                               | (497.66)                                   |
| Credit / (charge) in the Other Comprehensive Income (Net)  | -  | -  |
| On account of Business Combination   | -  | -  |
| Non-current Assets Held For Sale   | -  | -  |
| <b>At the end of the year</b>  | <b>52,382.42</b>                           | 51,694.27                                  |

- 12.1 As a matter of prudence, Religare Finvest Limited ("RFL"), a subsidiary of the Company restricted the creation of additional Deferred Tax Asset ("DTA") and kept the DTA (net) at Rs 49,315.69 Lakhs, in its books. Hence, DTA of Rs 49,315.69 Lakhs have been considered on March 31, 2019, in its separate financial statements considering the availability of future taxable profit against which the deductible temporary differences and unused tax losses can be utilised.



(Amount in ₹ lakhs, unless otherwise stated)

## 13 Property, Plant and Equipment

## Current Year

| Particulars                              | Gross Carrying Value         |                           |                               |                                      | Depreciation                 |                           |                               |                                      | Net Carrying Value           |                              |
|--|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|------------------------------|
|  | Balance as at March 31, 2018 | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Depreciation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Balance as at March 31, 2019 |
| <b>(a) Owned Assets</b>                  |                              |                           |                               |                                      |                              |                           |                               |                                      |                              |                              |
| Land                                     | 26.96                        | -                         | -                             | -                                    | 26.96                        | -                         | -                             | -                                    | -                            | 26.96                        |
| Leasehold Improvements                   | 272.11                       | 3.91                      | -                             | 13.13                                | 262.89                       | 44.20                     | -                             | 5.46                                 | 115.44                       | 195.41                       |
| Office Equipment                         | 650.90                       | 182.82                    | -                             | 18.62                                | 815.10                       | 216.92                    | -                             | 8.17                                 | 400.69                       | 458.96                       |
| Data Processing Machines                 | 2,203.34                     | 1,273.93                  | -                             | 31.64                                | 3,445.63                     | 695.77                    | -                             | 19.80                                | 1,507.54                     | 1,371.77                     |
| Furnitures & Fixtures                    | 250.53                       | 17.36                     | -                             | 7.33                                 | 260.56                       | 78.72                     | -                             | 1.25                                 | 162.33                       | 165.67                       |
| Vehicles                                 | 436.09                       | 6.45                      | -                             | 52.50                                | 390.04                       | 89.90                     | -                             | 15.27                                | 194.44                       | 316.28                       |
| <b>Sub Total (a)</b>                     | <b>3,839.93</b>              | <b>1,484.47</b>           | <b>-</b>                      | <b>123.22</b>                        | <b>5,201.18</b>              | <b>1,125.51</b>           | <b>-</b>                      | <b>49.95</b>                         | <b>2,380.44</b>              | <b>2,535.05</b>              |
| <b>(b) Assets Taken on Finance Lease</b> |                              |                           |                               |                                      |                              |                           |                               |                                      |                              |                              |
| Vehicles                                 | 178.10                       | 18.63                     | -                             | 53.63                                | 143.11                       | 46.86                     | -                             | 13.06                                | 106.68                       | 105.22                       |
| <b>Sub Total (b)</b>                     | <b>178.10</b>                | <b>18.63</b>              | <b>-</b>                      | <b>53.63</b>                         | <b>143.11</b>                | <b>46.86</b>              | <b>-</b>                      | <b>13.06</b>                         | <b>106.68</b>                | <b>105.22</b>                |
| <b>Total (a+b)</b>                       | <b>4,018.03</b>              | <b>1,503.10</b>           | <b>-</b>                      | <b>176.85</b>                        | <b>5,344.29</b>              | <b>1,172.37</b>           | <b>-</b>                      | <b>63.01</b>                         | <b>2,487.12</b>              | <b>2,857.17</b>              |

## Previous Year

| Particulars                              | Gross Carrying Value          |                           |                               |                                      | Depreciation                |                           |                               |                                      | Net Carrying Value          |                              |
|--|-------------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------------------|------------------------------|
|  | Balance as at April 1, 2017 * | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at April 1, 2017 | Depreciation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at April 1, 2017 | Balance as at March 31, 2018 |
| <b>(a) Owned Assets</b>                  |                               |                           |                               |                                      |                             |                           |                               |                                      |                             |                              |
| Land                                     | 26.96                         | -                         | -                             | -                                    | -                           | -                         | -                             | -                                    | 26.96                       | 26.96                        |
| Buildings                                | -                             | -                         | -                             | -                                    | -                           | -                         | -                             | -                                    | -                           | -                            |
| Leasehold Improvements                   | 253.52                        | 32.89                     | -                             | 14.30                                | 272.11                      | 77.74                     | -                             | 1.04                                 | 253.52                      | 195.41                       |
| Office Equipments                        | 511.18                        | 161.44                    | (0.74)                        | 20.98                                | 650.90                      | 197.64                    | -                             | 5.70                                 | 510.44                      | 458.96                       |
| Data Processing Machines                 | 1,391.32                      | 838.36                    | (0.21)                        | 26.13                                | 2,203.34                    | 840.29                    | -                             | 8.72                                 | 1,391.11                    | 1,371.77                     |
| Furnitures & Fixtures                    | 233.35                        | 21.18                     | (1.90)                        | 2.10                                 | 250.53                      | 85.59                     | -                             | 0.73                                 | 231.45                      | 165.67                       |
| Vehicles                                 | 634.10                        | 56.56                     | -                             | 254.57                               | 436.09                      | 171.76                    | -                             | 51.95                                | 634.10                      | 316.28                       |
| <b>Sub Total (a)</b>                     | <b>3,050.43</b>               | <b>1,110.43</b>           | <b>(2.85)</b>                 | <b>318.08</b>                        | <b>3,839.93</b>             | <b>1,373.02</b>           | <b>-</b>                      | <b>68.14</b>                         | <b>3,047.58</b>             | <b>2,535.05</b>              |
| <b>(b) Assets Taken on Finance Lease</b> |                               |                           |                               |                                      |                             |                           |                               |                                      |                             |                              |
| Vehicles                                 | 338.72                        | -                         | -                             | 160.62                               | 178.10                      | 127.68                    | -                             | 54.81                                | 338.73                      | 105.22                       |
| <b>Sub Total (b)</b>                     | <b>338.72</b>                 | <b>-</b>                  | <b>-</b>                      | <b>160.62</b>                        | <b>178.10</b>               | <b>127.68</b>             | <b>-</b>                      | <b>54.81</b>                         | <b>338.73</b>               | <b>105.22</b>                |
| <b>Total (a+b)</b>                       | <b>3,389.15</b>               | <b>1,110.43</b>           | <b>(2.85)</b>                 | <b>478.70</b>                        | <b>4,018.03</b>             | <b>1,500.70</b>           | <b>-</b>                      | <b>122.95</b>                        | <b>3,386.31</b>             | <b>2,640.27</b>              |

\* Represent Deemed Cost on the date of transition to Ind AS.



(Amount in ₹ lakhs, unless otherwise stated)

13.1 Part of land is mortgaged as security for debenture holders.

13.2 There are no adjustments to Property, Plant and Equipment on account of borrowing costs and exchange differences. There is no revaluation of Property, Plant and Equipment during the year.

13.3 Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost or revalued amount are recognised in the Statement of Profit and Loss.

#### 14. Goodwill

##### Current Year

| Particulars                        | Gross Carrying Value         |                           |                               |                                      | Amortisation                 |                           |                               |                                      | Net Carrying Value           |                              |
|------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|------------------------------|
|                                    | Balance as at March 31, 2018 | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Amortisation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Balance as at March 31, 2019 |
| Goodwill (on Consolidation)        | 1,899.00                     | -                         | -                             | -                                    | 1,899.00                     | -                         | -                             | -                                    | 926.96                       | 972.04                       |
| Goodwill (on Business Acquisition) | -                            | -                         | -                             | -                                    | -                            | -                         | -                             | -                                    | -                            | -                            |
| <b>Total</b>                       | <b>1,899.00</b>              | <b>-</b>                  | <b>-</b>                      | <b>-</b>                             | <b>1,899.00</b>              | <b>-</b>                  | <b>-</b>                      | <b>-</b>                             | <b>926.96</b>                | <b>972.04</b>                |

##### Previous Year

| Particulars                        | Gross Carrying Value          |                           |                               |                                      | Amortisation                |                           |                               |                                      | Net Carrying Value          |                              |
|------------------------------------|-------------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------------------|------------------------------|
|                                    | Balance as at April 1, 2017 * | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at April 1, 2017 | Amortisation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at April 1, 2017 | Balance as at March 31, 2018 |
| Goodwill (on Consolidation)        | 1,899.00                      | -                         | -                             | -                                    | 1,899.00                    | -                         | -                             | -                                    | 926.96                      | 972.04                       |
| Goodwill (on Business Acquisition) | 754.13                        | -                         | (754.13)                      | -                                    | -                           | -                         | -                             | -                                    | -                           | -                            |
| <b>Total</b>                       | <b>2,653.13</b>               | <b>-</b>                  | <b>(754.13)</b>               | <b>-</b>                             | <b>1,899.00</b>             | <b>-</b>                  | <b>-</b>                      | <b>-</b>                             | <b>926.96</b>               | <b>972.04</b>                |

\* Represent Deemed Cost on the date of transition to Ind AS.

14.1 For the purpose of impairment testing, goodwill is allocated to a Cash Generating Units ("CGU") representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the operating segment. Goodwill is tested for impairment at least annually in accordance with the Group's procedure for determining the recoverable value of each CGU

The recoverable amount of the CGU is determined on the basis of Fair Value Less Cost of Disposal ("FVLCD"). The FVLCD of the CGU is determined based on the market capitalisation approach, using the turnover and earnings multiples derived from observable market data. The fair value measurement is categorised as a level 2 fair value based on the inputs in the valuation techniques used.

Based on the above testing, no impairment was identified as at March 31, 2019, March 31, 2018 and April 1, 2017, as the recoverable value of the CGUs exceeded the carrying value. Further, none of the CGU's tested for impairment as at March 31, 2019, March 31, 2018 and April 1, 2017 were at risk of impairment. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples), did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.



(Amount in ₹ lakhs, unless otherwise stated)

**15. Other Intangible Assets****Current Year**

| Particulars        | Gross Carrying Value         |                           |                               |                                      | Amortisation                 |                           |                               | Net Carrying Value                   |                              |
|--------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|
|                    | Balance as at March 31, 2018 | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Amortisation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 |
| Computer Softwares | 5,860.46                     | 1,493.49                  | -                             | -                                    | 7,353.95                     | 1,400.77                  | -                             | 0.11                                 | 4,355.65                     |
| <b>Total</b>       | <b>5,860.46</b>              | <b>1,493.49</b>           | <b>-</b>                      | <b>-</b>                             | <b>7,353.95</b>              | <b>1,400.77</b>           | <b>-</b>                      | <b>0.11</b>                          | <b>4,448.48</b>              |

**Previous Year**

| Particulars        | Gross Carrying Value          |                           |                               |                                      | Amortisation                |                           |                               | Net Carrying Value                   |                             |
|--------------------|-------------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------------------|
|                    | Balance as at April 1, 2017 * | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at April 1, 2017 | Amortisation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at April 1, 2017 |
| Computer Softwares | 4,229.65                      | 1,631.98                  | (0.03)                        | 1.14                                 | 5,860.46                    | 1,505.17                  | -                             | 0.36                                 | 4,229.62                    |
| <b>Total</b>       | <b>4,229.65</b>               | <b>1,631.98</b>           | <b>(0.03)</b>                 | <b>1.14</b>                          | <b>5,860.46</b>             | <b>1,505.17</b>           | <b>-</b>                      | <b>0.36</b>                          | <b>4,355.65</b>             |

\* Represent Deemed Cost on the date of transition to Ind AS.

15.1 There are no adjustments to Intangible Assets on account of borrowing costs and exchange differences. There is no revaluation of Intangible Assets during the year.

15.2 The Group does not have any internally generated intangible assets.

15.3 Losses arising from the retirement of, and gains or losses arising from disposal of intangible assets which are carried at cost or revalued amount are recognised in the Statement of Profit and Loss.

**16. Capital Work In Progress****Current Year**

| Particulars        | Gross Carrying Value         |                           |                               |                                      | Amortisation                 |                           |                               | Net Carrying Value                   |                              |
|--------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|
|                    | Balance as at March 31, 2018 | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Depreciation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 |
| Leasehold Premises | -                            | 67.50                     | -                             | -                                    | 67.50                        | -                         | -                             | -                                    | 67.50                        |
| <b>Total</b>       | <b>-</b>                     | <b>67.50</b>              | <b>-</b>                      | <b>-</b>                             | <b>67.50</b>                 | <b>-</b>                  | <b>-</b>                      | <b>-</b>                             | <b>67.50</b>                 |

Previous Year: Nil



(Amount in ₹ lakhs, unless otherwise stated)

17 Intangible Assets Under Developments

Current Year

| Particulars                    | Gross Carrying Value         |                           |                               |                                      | Amortisation                 |                           |                               |                                      | Net Carrying Value           |                              |
|--------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|------------------------------|
|                                | Balance as at March 31, 2018 | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Depreciation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2019 | Balance as at March 31, 2018 |
| Computer Softwares             | 1,115.98                     | 588.29                    | -                             | 387.62                               | 1,316.65                     | -                         | -                             | -                                    | -                            | 1,115.98                     |
| Website Design and Development | 2.61                         | 2.10                      | -                             | 2.61                                 | 2.10                         | -                         | -                             | -                                    | -                            | 2.61                         |
| <b>Total</b>                   | <b>1,118.59</b>              | <b>590.39</b>             | <b>-</b>                      | <b>390.23</b>                        | <b>1,318.75</b>              | <b>-</b>                  | <b>-</b>                      | <b>-</b>                             | <b>-</b>                     | <b>1,118.59</b>              |

Previous Year:

| Particulars                    | Gross Carrying Value        |                           |                               |                                      | Amortisation                 |                           |                               |                                      | Net Carrying Value           |                             |
|--------------------------------|-----------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------------|------------------------------|-----------------------------|
|                                | Balance as at April 1, 2017 | Additions during the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2018 | Depreciation for the year | Ind AS Translation Adjustment | Deletions / Adjustments for the year | Balance as at March 31, 2018 | Balance as at April 1, 2017 |
| Computer Softwares             | 1,188.13                    | 559.27                    | -                             | 631.42                               | 1,115.98                     | -                         | -                             | -                                    | -                            | 1,188.13                    |
| Website Design and Development | 2.61                        | -                         | -                             | -                                    | 2.61                         | -                         | -                             | -                                    | -                            | 2.61                        |
| <b>Total</b>                   | <b>1,190.74</b>             | <b>559.27</b>             | <b>-</b>                      | <b>631.42</b>                        | <b>1,118.59</b>              | <b>-</b>                  | <b>-</b>                      | <b>-</b>                             | <b>-</b>                     | <b>1,190.74</b>             |



(Amount in ₹ lakhs, unless otherwise stated)

**18. Other Non Financial Assets**

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Balance With Tax Authorities                             | 5,849.18                | 7,181.58                | 3,510.00               |
| Balance With Provident Fund Authority                    | 21.46                   | 21.46                   | 21.46                  |
| Prepaid Expenses   | 2,589.08                | 3,406.76                | 3,958.71               |
| Deposits Paid Under Protest                              | 119.67                  | 89.67                   | 82.81                  |
| Advances to Related Parties (for services)               | 1,326.50                | 1,414.81                | 26.08                  |
| Less: Loss Allowance Against Advances to Related Parties | (1,326.50)              | (1,326.50)              | -                      |
| Art Works  | 1.78                    | 1.78                    | 1.78                   |
| Capital Advances   | 52.49                   | 9.27                    | 89.43                  |
| Flats Under Construction Held For Sale                   | -                       | 183.97                  | 992.32                 |
| Reposessed Assets Held For Sale                          | 21,483.96               | 25,588.66               | 26,399.99              |
| Less: Loss Allowance Against Assets Held For Sale        | (1,270.19)              | (822.65)                | (436.86)               |
| Others   | 869.12                  | 2,670.03                | 627.85                 |
| Less: Loss Allowance Against Others                      | (47.67)                 | -                       | -                      |
| <b>Total</b>   | <b>29,668.88</b>        | <b>38,418.84</b>        | <b>35,273.57</b>       |

**19. Trade Payables**

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| (i) total outstanding dues of micro enterprises and small enterprises                       | 47.03                   | -                       | -                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 26,332.36               | 23,865.74               | 32,097.11              |
| <b>Total</b>  | <b>26,379.39</b>        | <b>23,865.74</b>        | <b>32,097.11</b>       |

**20. Other Payables**

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| (i) total outstanding dues of micro enterprises and small enterprises                       | -                       | -                       | -                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 14,053.94               | 14,065.34               | 8,232.11               |
| <b>Total</b>  | <b>14,053.94</b>        | <b>14,065.34</b>        | <b>8,232.11</b>        |





# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 21. Debt Securitie

| Particulars                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>Debt Securities Measured at Amortised Cost</b> |                         |                         |                        |
| - Debentures (Secured) (Refer Note 21.1)          | -                       | 34,093.45               | 138,701.60             |
| - Commercial Papers (Unsecured) (Refer Note 21.2) | -                       | 10,441.92               | 40,169.07              |
| <b>Total</b>                                      | -                       | 44,535.37               | 178,870.67             |
| Debt Securities in India                          | -                       | 44,535.37               | 178,870.67             |
| Debt Securities outside India                     | -                       | -                       | -                      |
| <b>Total</b>                                      | -                       | 44,535.37               | 178,870.67             |

#### 21.1 Schedule of Debentures

| Particulars                                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>I. Secured</b>                              |                         |                         |                        |
| <b>Redeemable Non - Convertible Debentures</b> |                         |                         |                        |
| (i) Privately Placed                           | -                       | 30,400.00               | 127,810.00             |
| (ii) Publicly Placed                           | -                       | 3,693.45                | 10,891.60              |
| <b>Total (I)</b>                               | -                       | 34,093.45               | 138,701.60             |
| <b>II. Unsecured</b>                           |                         |                         |                        |
| <b>Redeemable Non - Convertible Debentures</b> |                         |                         |                        |
| (i) Privately Placed                           | -                       | -                       | -                      |
| (ii) Publicly Placed                           | -                       | -                       | -                      |
| <b>Total (II)</b>                              | -                       | -                       | -                      |
| <b>Grand Total (I+II)</b>                      | -                       | 34,093.45               | 138,701.60             |



**Additional particulars of debentures in descending order of maturity as per sub-clause (iv) of clause L of Division III of Part II of Schedule III to the Companies Act, 2013**

**I. Secured Debentures**

**(i) Details of Privately Placed Secured Debentures**

- (a) Details of Privately Placed Secured Redeemable Non Convertible Debentures ("NCDs") outstanding as on March 31, 2019 which are secured by RFL's immovable property and first pari passu charge over standard business receivables of the Company with Asset Cover of 1.1 X as applicable:

(Amount in ₹ lakhs, unless otherwise stated)

| S. No.           | Coupon Rate (% p.a.)   | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 | Date of Allotment | Redemption Due On | Put and Call Option |
|------------------|------------------------|----------------------|----------------------|---------------------|-------------------|-------------------|---------------------|
| 1                | 11.35%                 | -                    | -                    | 1,500.00            | 23-Jun-14         | 26-Apr-17         | N.A.                |
| 2                | 10.30%                 | -                    | -                    | 2,500.00            | 18-May-15         | 18-May-17         | N.A.                |
| 3                | 10.30%                 | -                    | -                    | 45,000.00           | 17-Jun-16         | 18-May-17         | N.A.                |
| 4                | 9.70%                  | -                    | -                    | 18,000.00           | 20-Feb-17         | 19-May-17         | N.A.                |
| 5                | 9.70%                  | -                    | -                    | 1,000.00            | 31-Aug-15         | 19-May-17         | N.A.                |
| 6                | 11.30% (On XIRR Basis) | -                    | -                    | 2,500.00            | 4-Aug-14          | 3-Jul-17          | N.A.                |
| 7                | 9.80%                  | -                    | -                    | 1,000.00            | 31-Aug-15         | 16-Aug-17         | N.A.                |
| 8                | 10.50% (On XIRR Basis) | -                    | -                    | 2,000.00            | 11-Dec-14         | 5-Oct-17          | N.A.                |
| 9                | 10.50% (On XIRR Basis) | -                    | -                    | 6,000.00            | 14-Nov-14         | 14-Nov-17         | N.A.                |
| 10               | 10.50%                 | -                    | -                    | 2,500.00            | 11-Dec-14         | 11-Dec-17         | N.A.                |
| 11               | 10.40% (On XIRR Basis) | -                    | -                    | 700.00              | 16-Feb-15         | 6-Feb-18          | N.A.                |
| 12               | 10.40%                 | -                    | -                    | 5,000.00            | 16-Feb-15         | 16-Feb-18         | N.A.                |
| 13               | 10.20% (On XIRR Basis) | -                    | -                    | 1,600.00            | 29-Apr-15         | 15-Mar-18         | N.A.                |
| 14               | 10.30%                 | -                    | -                    | 1,000.00            | 22-Jun-15         | 22-Mar-18         | N.A.                |
| 15               | 10.30%                 | -                    | -                    | 18,000.00           | 22-Mar-17         | 22-Mar-18         | N.A.                |
| 16               | 10.45%                 | -                    | -                    | 1,300.00            | 18-May-15         | 18-May-18         | N.A.                |
| 17               | 10.45%                 | -                    | 15,000.00            | -                   | 18-May-17         | 18-Jul-18         | N.A.                |
| 18               | 10.20% (On XIRR Basis) | -                    | 400.00               | 400.00              | 29-Apr-15         | 13-Jul-18         | N.A.                |
| 19               | 10.45%                 | -                    | -                    | 1,200.00            | 18-May-15         | 18-Jul-18         | N.A.                |
| 20               | 10.45%                 | -                    | 5,000.00             | -                   | 18-May-17         | 18-Jul-18         | N.A.                |
| 21               | 10.35%                 | -                    | -                    | 1,000.00            | 22-Jun-15         | 23-Jul-18         | N.A.                |
| <b>Total (a)</b> |                        | -                    | 20,400.00            | 112,200.00          |                   |                   |                     |

- (b) Details of Privately Placed Secured Redeemable NCD's outstanding as on March 31, 2019 and previous years which are secured by way of first mortgage / charge on the Group's asset and Investment in Equity Shares of its certain subsidiaries and the assets cover thereof exceeds hundred percent of the principal amount of the said debentures, is as under:

| S. No.           | Coupon Rate (% p.a.)       | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 | Date of Allotment | Redemption Due On | Put and Call Option |
|------------------|----------------------------|----------------------|----------------------|---------------------|-------------------|-------------------|---------------------|
| 1                | 14.00% (*)                 | -                    | -                    | 13,610.00           | 28-Mar-13         | 30-Jun-17         | N.A.                |
| 2                | 10.40 % on XIRR basis (**) | -                    | -                    | 450.00              | 30-Mar-15         | 6-Feb-18          | No                  |
| 3                | 10.40 % on XIRR basis (**) | -                    | -                    | 1,550.00            | 30-Mar-15         | 15-Mar-18         | No                  |
| <b>Total (b)</b> |                            | -                    | -                    | 15,610.00           |                   |                   |                     |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

- (c) Details of Privately Placed Secured Listed Redeemable Non Convertible Debentures (NCD's) outstanding as on March 31, 2019 which are secured by way of Pari Pasu charge over the loan receivable including interest, if any, of Religare Comtrade Limited, a subsidiary of the Company throughout the tenure of NCD with an asset cover of 1 time principal plus interest in accordance with the denture trust deed, is as under:

| S. No.   | Coupon Rate (% p.a.) | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 | Date of Allotment | Redemption Due On | Put and Call Option |
|--|----------------------|----------------------|----------------------|---------------------|-------------------|-------------------|---------------------|
| 1  | 14.50%               | -                    | 10,000.00            | -                   | 27-Oct-17         | 13-Oct-18         | N.A.                |
| <b>Total (c)</b>   |                      | -                    | 10,000.00            | -                   |                   |                   |                     |
|  |                      |                      |                      |                     |                   |                   |                     |
| <b>Total Privately Placed Secured Debentures (i) (a+b+c)</b> |                      | -                    | 30,400.00            | 127,810.00          |                   |                   |                     |

(\*) On March 28, 2013 the Company had allotted 14% Listed Rated Secured Non Convertible Debentures of face value of Rs 1,000,000 each which were secured by charge over land of the Company in Gujarat and pledge over 100% equity shares of Religare Finvest Limited.

(\*\*) These were secured by First Pari Passu charge over standard business receivables of a subsidiary company (Religare Housing Development Finance Corporation Limited) to the extent of 1.10 times in favour of the Debenture Trustee for the benefit of the Debenture Holders and the subsidiary company shall maintain the minimum asset cover of 1.10 times at all times during the currency of the Debentures.

### (ii) Details of Publicly Placed Secured Debentures

Details of Publicly Placed Secured Redeemable NCDs outstanding as on March 31, 2019 which are secured by pari passu mortgage over the RFL's immovable property and first pari passu charge over standard business receivables of RFL with Asset Cover of 1.1 X as applicable:

| S. No.  | Coupon Rate (% p.a.) | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 | Date of Allotment | Redemption Due On |
|---|----------------------|----------------------|----------------------|---------------------|-------------------|-------------------|
| 1   | 12.25%               | -                    | -                    | 1,375.15            | 9-Oct-12          | 9-Oct-17          |
| 2   | 12.50%               | -                    | -                    | 4,409.18            | 9-Oct-12          | 9-Oct-17          |
| 3   | 12.25% *             | -                    | -                    | 452.05              | 9-Oct-12          | 9-Oct-17          |
| 4   | 12.50% *             | -                    | -                    | 961.78              | 9-Oct-12          | 9-Oct-17          |
| 5   | 12.62% *             | -                    | 3,132.11             | 3,132.10            | 9-Oct-12          | 9-Aug-18          |
| 6   | 12.25% *             | -                    | 561.34               | 561.34              | 9-Oct-12          | 9-Oct-18          |
| <b>Total of Publicly Placed Secured Debentures (ii)</b> |                      | -                    | 3,693.45             | 10,891.60           |                   |                   |

None of the above debentures have been guaranteed by Directors of the any Group company.

### 21.2 Commercial Papers (Unsecured)

| Particulars                    | As at March 31, 2019 | As at March 31, 2018        | As at April 1, 2017           |
|--------------------------------|----------------------|-----------------------------|-------------------------------|
| Discount Rate                  | -                    | 7.50% to 14.5%              | 8.45% to 11%                  |
| Issued date to Redemption Date | -                    | December, 2016 to May, 2018 | April, 2016 to November, 2017 |
| Total Outstanding Balance      | -                    | 10,650.00                   | 40,600.00                     |
| Less: Unamortised Discount     | -                    | 208.08                      | 430.93                        |
| <b>Net Outstanding Balance</b> | -                    | 10,441.92                   | 40,169.07                     |



(Amount in ₹ lakhs, unless otherwise stated)

**22. Borrowings (Other than Debt Securities)**

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>Current</b>  |                         |                         |                        |
| <b>Borrowings Measured at Amortised Cost</b>                              |                         |                         |                        |
| <b>(a) Secured</b>  |                         |                         |                        |
| - Term Loans  |                         |                         |                        |
| (i) From Banks (Refer Note 22.1)  | 490,276.55              | 753,007.73              | 1,047,228.37           |
| (ii) From Other Parties (Refer Note 22.2)                                 | 34,861.84               | 47,456.20               | 73,797.43              |
| - Finance Lease Obligations (Refer Note 22.3)                             | 50.94                   | 147.32                  | 414.50                 |
| - Loans Repayable on Demand   |                         |                         |                        |
| (i) From Banks (Refer Note 22.4)  | 79,386.61               | 85,602.44               | 108,189.43             |
| (ii) From Other Parties   | -                       | -                       | -                      |
| <b>Sub-Total (a)</b>  | <b>604,575.94</b>       | 886,213.69              | 1,229,629.73           |
| <b>(b) Unsecured</b>  |                         |                         |                        |
| - Term Loans  |                         |                         |                        |
| (i) From Banks (Refer Note 22.5)  | 750.00                  | -                       | -                      |
| (ii) From Other Parties   | -                       | -                       | -                      |
| - Liability Component of Compound Financial Instruments (Refer Note 22.6) | 7,461.14                | 6,883.59                | 6,201.43               |
| - Loans Repayable on Demand   |                         |                         |                        |
| (i) From Banks  | -                       | -                       | -                      |
| (ii) From Other Parties (Refer Note 22.7)                                 | 2,550.67                | 154.00                  | 5,230.00               |
| <b>Sub-Total (b)</b>  | <b>10,761.81</b>        | 7,037.59                | 11,431.43              |
| <b>Total (a+b)</b>  | <b>615,337.75</b>       | 893,251.28              | 1,241,061.16           |
| Borrowings in India   | 615,337.75              | 893,251.28              | 1,241,061.16           |
| Borrowings outside India  | -                       | -                       | -                      |
| <b>Total</b>  | <b>615,337.75</b>       | 893,251.28              | 1,241,061.16           |

**22.1 Secured Term Loans From Banks**

| Repayment Term | Sanctioned<br>Tenure | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|----------------|----------------------|-------------------------|-------------------------|------------------------|
| Annually       | Over 60 Months       | 327,715.58              | 337,309.75              | 349,039.18             |
|                | 37 to 60 Months      | 19,353.61               | 33,711.41               | 37,499.02              |
|                | 13 to 36 Months      | -                       | -                       | -                      |
|                | 0 to 12 Months       | -                       | -                       | -                      |
| Semi Annually  | Over 60 Months       | 7,047.59                | 8,497.41                | -                      |
|                | 37 to 60 Months      | 2,500.00                | 7,497.30                | 22,394.26              |
|                | 13 to 36 Months      | 1,250.00                | 26,734.87               | 49,999.95              |
|                | 0 to 12 Months       | -                       | -                       | -                      |



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(Amount in ₹ lakhs, unless otherwise stated)

| Repayment Term | Sanctioned Tenure | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|----------------|-------------------|----------------------|----------------------|---------------------|
| Quarterly      | Over 60 Months    | 72,222.69            | 59,304.15            | 71,875.00           |
|                | 37 to 60 Months   | 59,356.25            | 259,789.72           | 462,719.33          |
|                | 13 to 36 Months   | -                    | 12,496.44            | 25,915.98           |
|                | 0 to 12 Months    | -                    | -                    | -                   |
| Monthly        | Over 60 Months    | 71.57                | 7,545.00             | 7,500.00            |
|                | 37 to 60 Months   | 9.26                 | 121.68               | 188.29              |
|                | 13 to 36 Months   | -                    | -                    | 103.11              |
|                | 0 to 12 Months    | 750.00               | -                    | -                   |
| Bullet         | Over 60 Months    | -                    | -                    | -                   |
|                | 37 to 60 Months   | -                    | -                    | -                   |
|                | 13 to 36 Months   | -                    | -                    | 19,994.25           |
|                | 0 to 12 Months    | -                    | -                    | -                   |
| <b>Total</b>   |                   | <b>490,276.55</b>    | <b>753,007.73</b>    | <b>1,047,228.37</b> |

All Secured Term loans from Banks as on March 31, 2019, March 31, 2018 and April 1, 2017 are secured against “floating first charge on pari passu basis on all the present and future standard business receivables and current assets in the form of cash and cash equivalent” of the respective subsidiary companies.

The pricing of the above loans availed from banks are at the rate of interest respective bank's base rate / MCLR plus a margin up to 3.55% (March 31, 2018: up to 3.50% and April 1, 2017: up to 1.75%).

### 22.2 Secured Term Loans From Others Parties

| Repayment Term | Sanctioned Tenure | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|----------------|-------------------|----------------------|----------------------|---------------------|
| Quarterly      | Over 60 Months    | 32,361.84            | 39,704.59            | 46,177.43           |
|                | 37 to 60 Months   | 2,500.00             | 7,500.00             | 12,500.00           |
|                | 13 to 36 Months   | -                    | -                    | -                   |
|                | 0 to 12 Months    | -                    | -                    | -                   |
| Monthly        | Over 60 Months    | -                    | -                    | 8,400.00            |
|                | 37 to 60 Months   | -                    | -                    | -                   |
|                | 13 to 36 Months   | -                    | -                    | -                   |
|                | 0 to 12 Months    | -                    | -                    | -                   |
| Bullet         | Over 60 Months    | -                    | -                    | -                   |
|                | 37 to 60 Months   | -                    | -                    | -                   |
|                | 13 to 36 Months   | -                    | 251.61               | 6,720.00            |
|                | 0 to 12 Months    | -                    | -                    | -                   |
| <b>Total</b>   |                   | <b>34,861.84</b>     | <b>47,456.20</b>     | <b>73,797.43</b>    |

All the above Secured Term loans from Others as on March 31, 2019 are secured against “Floating First charge on Pari Passu basis on all the present and future standard business receivables and Current Assets in the form of Cash and Cash Equivalent of the respective subsidiary companies” (For Previous year, All the above Secured Term loans from Others as on March 31, 2018 are secured against “Floating First charge on Pari Passu basis on all the present and future standard business receivables and Current Assets in the form of Cash and Cash Equivalent of the respective subsidiary companies and by way of pledge of shares”) (April 1, 2017: all the above Secured Term loans from Others as on April 1, 2017 are secured against “Floating First charge on Pari Passu basis on all the present and future Business receivables and Current Assets in the form of Cash and Cash Equivalent of the respective subsidiary companies and by way of pledge of shares and mutual funds.”).

The pricing of the above loans availed by the company are at the rate of respective lender's PLR less a margin up to 1.90% (March 31, 2018: up to 1.65% and April 1, 2017: up to 1.65%).



(Amount in ₹ lakhs, unless otherwise stated)

**22.3 Finance Lease Obligations**

All the above loans as on March 31, 2019, March 31, 2018 and April 1, 2017 are secured by hypothecation of the vehicles. The pricing of the loans availed by the Group are at the rate of 12.50% in all years.

**22.4 Secured Loans Repayable on Demand From Banks**

| Nature of Security  | Interest Rate  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|--|-------------------------|-------------------------|------------------------|
| (a) Floating First charge on pari passu basis on all present and future standard business receivables and Current Assets in the form of Cash and Cash Equivalent of a subsidiary company. The overdraft facility is secured by fixed deposit. | Respective Bank's Base Rate / MCLR plus a margin up to 2.00% (March 31, 2018: up to 2.00% and April 1, 2017: up to 1.10%).         | 62,073.63               | 63,857.40               | 77,960.83              |
| (b) Book Debts  | 10.50% to 10.75% (March 31, 2018: 9.60% and April 1, 2017: 9.60% to 10.50%)  | 6,985.51                | 4,869.85                | 10,078.14              |
| (c) Fixed Deposits with Banks   | Respective fixed deposit interest rate plus a margin 0.60% to 1% (March 31, 2018: 0.60% to 1% and April 1, 2017: 0.75% to 1% p.a). | 5,327.47                | 9,375.19                | 10,496.13              |
| (d) Shares / stocks lying in pool accounts of a subsidiary  | 9.10% to 10.40% (March 31, 2018: 9.10% to 12.75% and March 31, 2017: 9.10% to 12.75%)  | 5,000.00                | 7,500.00                | 9,654.33               |
| <b>Total</b>  |  | <b>79,386.61</b>        | <b>85,602.44</b>        | <b>108,189.43</b>      |

**22.5** Pricing for unsecured short term loans from banks is at Marginal Cost of Funds based Lending Rate i.e. MCLR.

**22.6 Liability Component of Compound Financial Instruments**

Redeemable preference shares accounted as a financial liability measured initially at the fair value and subsequently at amortized cost with the interest accretion at EIR based on the IRR calculated on the yield thereon.

**13.66% Cumulative Redeemable Preference Shares**

The face value of each shares is Rs 10. The share shall have voting rights applicable to the preference share under the Companies Act, 2013. Each preference share holder has right to receive in priority to equity shareholders, preference dividend on cumulative basis at the rate not exceeding 13.66% per financial year. The aggregate shares allotted were 50,000,000 at Rs 100 (including premium of Rs 90 per share) of which the Company had already redeemed 48,500,000 shares at premium in prior years. The above shares were redeemable at an amount (including premium not exceeding Rs 269.36 per share) on October 31, 2018. (Also refer Note 47(a)(III))

**0.01% Non Convertible Non Cumulative Redeemable Preference Shares**

The face value of each share is Rs 10. The share shall have voting rights applicable to the preference share under the Companies Act, 2013. Each preference share holder has right to receive in priority to equity shareholder, preference dividend on non cumulative basis at the rate not exceeding 0.01% per financial year. The shares allotted were 25,000,000 in one tranche on August 30, 2016. The above shares are redeemable at an amount (including premium) not exceeding Rs 16.851 per share on August 30, 2021.





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(Amount in ₹ lakhs, unless otherwise stated)

### 22.7 Pricing for Unsecured Loans Repayable on Demand From Other Parties

| S. No. | Pricing of Loans  | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|--------|---|----------------------|----------------------|---------------------|
| 1      | N.A. (April 1, 2017: 10% p.a.)  | -                    | -                    | 5,000.00            |
| 2      | 9.00% to 13.00% p.a. (March 31, 2018: 9.00% to 13.00% p.a. and April 1, 2017: 9.00% to 13.00% p.a.) | -                    | 154.00               | 230.00              |
| 3      | 9% to 18%   | 2,550.67             | -                    | -                   |
|        | <b>Total</b>  | <b>2,550.67</b>      | 154.00               | 5,230.00            |

**22.8** There is no default as on the balance sheet date in repayment of above loans and interest thereon. The Group companies have made payments towards principal repayments and interest till March 31, 2019 as per mutually agreed contractual terms (Refer Note 47 (a)), except for interest of Rs 4.02 lakhs by Religare Housing Development Finance Corporation Limited, a subsidiary of the Company due to State Bank of India for the month of March, 2019 which has been subsequently paid before signing of financial statements.

**22.9** None of the above term loans have been guaranteed by the any director of the Group companies.

### 23. Subordinated Liabilities

| Particulars  | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|--|----------------------|----------------------|---------------------|
| <b>Subordinated Liabilities Measured at Amortised Cost</b> |                      |                      |                     |
| <b>Unsecured</b>   |                      |                      |                     |
| - Term Loan From Bank (Refer Note 23.1)                    | 34,794.41            | 34,700.47            | 34,606.53           |
| - Debentures (Refer Note 23.2)                             | 22,000.00            | 22,000.00            | 43,780.00           |
| - Others   | -                    | -                    | -                   |
| <b>Total</b>   | <b>56,794.41</b>     | 56,700.47            | 78,386.53           |
| Subordinated Liabilities in India                          | 56,794.41            | 56,700.47            | 78,386.53           |
| Subordinated Liabilities outside India                     | -                    | -                    | -                   |
| <b>Total</b>   | <b>56,794.41</b>     | 56,700.47            | 78,386.53           |

Above Unsecured Term Loan(s) from Banks and debentures are subordinated in nature and qualify for inclusion in Tier II capital fund for the computation of Capital to Risk Assets Ratio ("CRAR") of the NBFC subsidiary company.

#### 23.1 Subordinated Liabilities - Unsecured Term Loans From Banks

| Repayment Term | Sanctioned Tenure | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|----------------|-------------------|----------------------|----------------------|---------------------|
| Bullet         | Over 60 Months    | -                    | 34,700.47            | 34,606.53           |
|                | 37 to 60 Months   | 9,994.52             | -                    | -                   |
|                | 13 to 36 Months   | 24,799.89            | -                    | -                   |
|                | 0 to 12 Months    | -                    | -                    | -                   |
| <b>Total</b>   |                   | <b>34,794.41</b>     | 34,700.47            | 34,606.53           |

The pricing of the above loans availed are at the rate of respective Bank's Base Rate plus a margin up to 2.75% (March 31, 2018: up to 2.75% and April 1, 2017: up to 2.75%)



(Amount in ₹ lakhs, unless otherwise stated)

**23.2 Subordinated Liabilities - Privately Placed Unsecured Redeemable Non-Convertible Debentures**

| S. No.       | Coupon Rate | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 | Date of Allotment | Redemption Due On |
|--------------|-------------|----------------------|----------------------|---------------------|-------------------|-------------------|
| 1            | 12.75%      | -                    | -                    | 11,750.00           | 30-Aug-11         | 30-Mar-17         |
| 2            | 12.75%      | -                    | -                    | 350.00              | 26-Jul-11         | 26-Apr-17         |
| 3            | 12.75%      | -                    | -                    | 70.00               | 2-Aug-11          | 2-May-17          |
| 4            | 13.05%      | -                    | -                    | 3,360.00            | 3-Feb-12          | 3-May-17          |
| 5            | 13.00%      | -                    | -                    | 2,360.00            | 30-Nov-11         | 30-May-17         |
| 6            | 13.05%      | 10,000.00            | 10,000.00            | 3,390.00            | 22-Dec-11         | 22-Jun-17         |
| 7            | 12.75%      | -                    | -                    | 500.00              | 25-Oct-11         | 25-Jul-17         |
| 8            | 10.68%      | -                    | -                    | 10,000.00           | 30-Sep-15         | 30-Apr-21         |
| 9            | 12.20%      | 5,000.00             | 5,000.00             | 5,000.00            | 12-Oct-12         | 12-Oct-22         |
| 10           | 12.20%      | 4,200.00             | 4,200.00             | 4,200.00            | 21-Jan-13         | 21-Jan-23         |
| 11           | 12.00%      | 800.00               | 800.00               | 800.00              | 25-Feb-13         | 25-Feb-23         |
| 12           | 12.05%      | 2,000.00             | 2,000.00             | 2,000.00            | 28-Mar-13         | 28-Mar-23         |
| <b>Total</b> |             | <b>22,000.00</b>     | <b>22,000.00</b>     | <b>43,780.00</b>    |                   |                   |

**23.3** None of the above term loans have been guaranteed by Directors of the any Group company.**23.4** There is no default as on the balance sheet date in repayment of above term loans and interest thereon. The Group companies have made payments towards principal repayments and interest till March 31, 2019 as per mutually agreed contractual terms (Refer Note 47 (a)).**24. Other Financial Liabilities**

| Particulars  | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|--|----------------------|----------------------|---------------------|
| Interest Accrued and Due*                              | 107.15               | 124.04               | 173.45              |
| Interest Accrued but not Due                           | 1,389.12             | 8,401.88             | 18,070.79           |
| Unclaimed Dividend (Refer Note 24.1)                   | -                    | -                    | 2.09                |
| Unclaimed Debenture Refund and Interest Thereon        | 124.97               | 93.22                | 89.85               |
| Unclaimed Amount of Policy Holders                     | 194.85               | 144.08               | 71.67               |
| Book Overdraft   | 323.51               | 917.48               | 2,856.40            |
| Security Deposits (Including Margin for Vehicles)      | 2,970.37             | 3,219.75             | 3,066.41            |
| Debt Service Reserve ("DSR") and Other Accounts        | 1,020.27             | 1,832.43             | 3,822.32            |
| Margin Deposits From Clients                           | 21,565.91            | 23,556.38            | 32,543.83           |
| Creditors for Expenses                                 | 5,956.48             | 6,393.93             | 9,744.93            |
| Payable For Assignment and Securitisation Transactions | 2,863.10             | 4,217.88             | 4,311.91            |
| Claims Outstanding                                     | 16,475.87            | 11,520.31            | 9,630.38            |
| Margin for Vehicle                                     | 12.64                | 16.58                | 18.03               |
| Other Liabilities                                      | 5,698.44             | 1,758.56             | 3,087.20            |
| <b>Total</b>   | <b>58,702.68</b>     | <b>62,196.52</b>     | <b>87,489.26</b>    |

\* These are primarily the interest charged by the banks that becomes due generally on the close of the banking hours. Realisation by the banks is processed during next working day.

**24.1** During the year ended March 31, 2018, unpaid dividend of Rs 2.09 Lakhs pertaining to the year 2009-10 has been transferred to Investor Education and Protection Fund ("IEPF") account of Central Government from the restricted bank accounts. Also referred in Note 5.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 25. Provisions

| Particulars                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>Provision for Employee Benefits</b> |                         |                         |                        |
| - Gratuity                             | 374.38                  | 266.93                  | 763.26                 |
| - Leave Encashment                     | 1,140.52                | 1,193.99                | 1,366.84               |
| <b>Total</b>                           | <b>1,514.90</b>         | <b>1,460.92</b>         | <b>2,130.10</b>        |

### 26. Other Non Financial Liabilities

| Particulars                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|-----------------------------------|-------------------------|-------------------------|------------------------|
| Statutory Due Payable             | 7,913.98                | 5,834.30                | 1,887.05               |
| Advances From Customers / Clients | 2,461.97                | 9,430.72                | 11,449.47              |
| Revenue Received in Advance       | 1.22                    | 4.95                    | 75.28                  |
| Lease Equalisation Reserve        | 12.94                   | 15.04                   | 8.11                   |
| Unexpired Risk Reserve ("URR")*   | 57,034.87               | 39,579.75               | 25,360.06              |
| Other Liabilities                 | 1,408.45                | 1,421.48                | 1,434.40               |
| Unallocated Premium               | 3,189.43                | 2,964.48                | 3,790.26               |
| Premiums Received in Advance      | 7,752.09                | 5,394.98                | 1,971.02               |
| Others                            | 20.21                   | 24.22                   | 57.81                  |
| <b>Total</b>                      | <b>79,795.16</b>        | <b>64,669.92</b>        | <b>46,033.46</b>       |

\* Unexpired Risk Reserve represents that part of the net written premium (i.e. premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis.

| Particulars                           | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------|-------------------------|-------------------------|
| Opening Balance                       | 39,579.75               | 25,360.06               |
| Less:-Amount utilized during the year | 39,579.75               | 25,360.06               |
| Add:-Provision made during the year   | 57,034.87               | 39,579.75               |
| <b>Closing Balance</b>                | <b>57,034.87</b>        | <b>39,579.75</b>        |

### 27. Equity Share Capital

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b><u>Authorized Capital</u></b>   |                         |                         |                        |
| 654,450,000 (March 31, 2018: 654,450,000 and April 1, 2017: 250,000,000) Equity Shares of Rs 10 each               | 65,445.00               | 65,445.00               | 25,000.00              |
| <b>Total</b>   | <b>65,445.00</b>        | <b>65,445.00</b>        | <b>25,000.00</b>       |
| <b><u>Issued, subscribed and paid up</u></b>   |                         |                         |                        |
| 216,942,733 (March 31, 2018: 178,455,248 and April 1, 2017: 178,334,498) Equity Shares of Rs 10 each fully paid up | 21,694.27               | 17,845.52               | 17,833.45              |
| <b>Total</b>   | <b>21,694.27</b>        | <b>17,845.52</b>        | <b>17,833.45</b>       |



(Amount in ₹ lakhs, unless otherwise stated)

**27.1 Reconciliation of the shares outstanding at the beginning and at the end of reporting period**

| Particulars                                   | As at<br>March 31, 2019 |                  | As at<br>March 31, 2018 |                  | As at<br>April 1, 2017 |                  |
|---|-------------------------|------------------|-------------------------|------------------|------------------------|------------------|
|   | Number                  | Amount           | Number                  | Amount           | Number                 | Amount           |
| <b>Equity Shares of 10 each Fully Paid Up</b> |                         |                  |                         |                  |                        |                  |
| Balance as at the beginning of the year       | 178,455,248             | 17,845.52        | 178,334,498             | 17,833.45        | 178,334,498            | 17,833.45        |
| Add: Shares issued during the year            | 38,487,485              | 3,848.75         | 120,750                 | 12.07            | -                      | -                |
| <b>Balance as at the end of the year</b>      | <b>216,942,733</b>      | <b>21,694.27</b> | <b>178,455,248</b>      | <b>17,845.52</b> | <b>178,334,498</b>     | <b>17,833.45</b> |

**27.2 The rights, preferences and restrictions attaching to equity shares including restrictions on the distribution of dividends and the repayment of capital is as under:**

The Company has only one class of equity shares having a face value of Rs 10 per share. Each shareholder is entitled to one vote per share held. Dividend, if any, declared is payable in Indian Rupees. The dividend proposed, if any, by the Board of the Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of the liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the equity share holders.

RBI, vide letter dated April 05, 2019, has advised the Company to stop paying dividends till further order.

**27.3 Details of the shareholders holding more than 5% of the aggregate shares in the Company:**

| Name of the Shareholder   | As at<br>March 31, 2019 |                 | As at<br>March 31, 2018 |                 | As at<br>April 1, 2017 |                 |
|---|-------------------------|-----------------|-------------------------|-----------------|------------------------|-----------------|
|   | No. of<br>Shares held   | % of<br>Holding | No. of<br>Shares held   | % of<br>Holding | No. of<br>Shares held  | % of<br>Holding |
| <b>Equity Shares</b>  |                         |                 |                         |                 |                        |                 |
| RHC Finance Private Limited   | -                       | -               | -                       | -               | 29,112,634             | 16.33           |
| Malvinder Mohan Singh   | -                       | -               | -                       | -               | 11,123,525             | 6.24            |
| Shivinder Mohan Singh   | -                       | -               | -                       | -               | 10,876,602             | 6.10            |
| RHC Holding Private Limited   | -                       | -               | -                       | -               | 39,709,358             | 22.27           |
| Shabnam Dhillon   | -                       | -               | -                       | -               | 15,188,441             | 8.52            |
| India Horizon Fund Limited  | 17,838,467              | 8.22            | 17,838,467              | 9.99            | 12,137,336             | 6.81            |
| International Finance Corporation   | 12,818,331              | 5.91            | 12,818,331              | 7.18            | 12,818,331             | 7.19            |
| Resilient India Growth Fund   | 17,638,579              | 8.13            | 17,638,579              | 9.88            | -                      | -               |
| Axis Bank Limited   | 16,108,794              | 7.42            | 15,789,000              | 8.85            | -                      | -               |
| Win Sure Trade Invest Private Limited,<br>Rock Builders And Developers Private<br>Limited (on behalf of Chandrakanta<br>Enterprise) | 12,882,106              | 5.94            | -                       | -               | -                      | -               |



# Notes Forming Part of the Consolidated Financial Statements

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(Amount in ₹ lakhs, unless otherwise stated)

**27.4** There are no securities that are convertible into equity/ preference shares other than employee stock options issued and share warrants issued by the Company.

**27.5** During the period of five years immediately preceding the Balance Sheet Date, the Company has not:

- (a) allotted any share as fully paid up pursuant to contract without payment being received in cash;
- (b) allotted any share as fully paid up by way of bonus shares; and
- (c) bought back any share.

**27.6** No share was forfeited by the Company during the year.

### 27.7 Preference Share Capital

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>Authorized Capital</b>   |                         |                         |                        |
| 162,000,000 (March 31, 2018: 162,000,000 and April 1, 2017: 162,000,000) Redeemable Preference Shares of Rs 10 each | <b>16,200.00</b>        | 16,200.00               | 16,200.00              |
| <b>Total</b>  | <b>16,200.00</b>        | 16,200.00               | 16,200.00              |

### 27.8 Share Warrants

Religare Enterprises Limited ("the Company") obtained an In – Principle approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 from National Stock Exchange of India and BSE Limited ("the Exchanges") to issue and allotment of 175,224,258 convertible warrants of Rs 52.30 each exercisable into equal number of Equity Shares of Rs 10 each of the Company on preferential basis. Pursuant to shareholder approval dated March 19, 2018, the Company issued and allotted 111,497,914 convertible warrants of Rs 52.30 per warrant on April 19, 2018 in accordance to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended thereto. Out of same 38,487,485 warrants were converted into equity shares during the year FY 2018-19 and balance 73,010,429 warrants (partly paid) are remaining for conversion as on date.

The Company had fully utilized the funds received from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 sent to shareholders of the Company. There are no unutilized funds under the same as on March 31, 2019

Utilisation of warrant money received Rs 29,675.07 Lakhs (25% advance Rs 14,578.35 Lakhs and Rs 15,096.72 Lakhs on allotment of share) is as follows:

| Particulars  | Amount<br>(Rs in Lakhs) |
|--|-------------------------|
| 1. Repayment of Loans (Taken From Related Parties) | 18,188.26               |
| 2. Investments in a Subsidiary                     | 6,690.68                |
| 3. Payment of Liability on Account of Merger       | 4,000.00                |
| 4. General Corporate Purpose                       | 796.13                  |
| <b>Total</b>                                       | <b>29,675.07</b>        |



(Amount in ₹ lakhs, unless otherwise stated)

**27.9 Share Application Money Pending for Allotment received from employees towards exercise of stock options:**

| Particulars   | As at<br>March 31, 2019 |        | As at<br>March 31, 2018 |        | As at<br>April 1, 2017 |        |
|---|-------------------------|--------|-------------------------|--------|------------------------|--------|
|   | No of<br>shares         | Amount | No of<br>shares         | Amount | No of<br>shares        | Amount |
| Equity shares of face value of Rs 10 each proposed to be issued | -                       | -      | -                       | -      | 120,750                | 169.05 |
|   | -                       | -      | -                       | -      | 120,750                | 169.05 |

During the year ended March 31, 2017, the Company has received share application money of Rs 169.05 Lakhs from whole time director (as an employee) under Employee Stock Option Scheme 2006 which was pending allotment till the year end March 31, 2017. The above share application money has been allotted to 120,750 number of equity shares having face value of Rs 10 each aggregating to Rs 12.07 Lakhs on May 19, 2017.

**28. Other Equity**

| Particulars |   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|-------------|---|-------------------------|-------------------------|------------------------|
| (A)         | <b>Securities Premium Reserve</b>                                     |                         |                         |                        |
|             | Opening Balance   | 351,878.66              | 351,721.69              | 351,721.69             |
|             | Add : Securities premium credited on share issue                      | 16,280.21               | 156.97                  | -                      |
|             | <b>Closing Balance</b>  | <b>368,158.87</b>       | 351,878.66              | 351,721.69             |
| (B)         | <b>Capital Redemption Reserve</b>                                     |                         |                         |                        |
|             | Opening Balance   | 1,123.14                | 1,123.14                | 1,123.14               |
|             | <b>Closing Balance</b>  | <b>1,123.14</b>         | 1,123.14                | 1,123.14               |
| (C)         | <b>Capital Reserve arising out of Composite Scheme of Arrangement</b> |                         |                         |                        |
|             | Opening Balance   | 6,525.65                | 6,525.65                | 6,525.65               |
|             | <b>Closing Balance</b>  | <b>6,525.65</b>         | 6,525.65                | 6,525.65               |
| (D)         | <b>Capital Reserve on Consolidation</b>                               |                         |                         |                        |
|             | Opening Balance   | 8,882.34                | 8,882.34                | 8,882.34               |
|             | <b>Closing Balance</b>  | <b>8,882.34</b>         | 8,882.34                | 8,882.34               |
| (E)         | <b>General Reserve</b>  |                         |                         |                        |
|             | Opening Balance   | 24,198.20               | 22,657.10               | 22,657.10              |
|             | Add: Transfer from Debenture Redemption Reserve (Net of NCI)          | 790.75                  | 1,541.10                | -                      |
|             | <b>Closing Balance</b>  | <b>24,988.95</b>        | 24,198.20               | 22,657.10              |
| (F)         | <b>Statutory Reserve</b>  |                         |                         |                        |
|             | Opening Balance   | 35,430.63               | 35,308.30               | 35,308.30              |
|             | Add: Transfer from retained earnings (Net of NCI)                     | 144.98                  | 122.33                  | -                      |
|             | <b>Closing Balance</b>  | <b>35,575.61</b>        | 35,430.63               | 35,308.30              |





# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>(G) Short / (Excess) Payment for Shares in Subsidiaries Post Getting Control</b> |                         |                         |                        |
| Opening Balance   | -                       | -                       | -                      |
| Add: Changes during the year  | (3,261.56)              | -                       | -                      |
| <b>Closing Balance</b>  | <b>(3,261.56)</b>       | <b>-</b>                | <b>-</b>               |
| <b>(H) Debenture Redemption Reserve</b>   |                         |                         |                        |
| Opening Balance   | 790.75                  | 2,331.85                | 2,331.85               |
| Less: Transfer to General Reserve (Net of NCI)                                      | (790.75)                | (1,541.10)              | -                      |
| <b>Closing Balance</b>  | <b>-</b>                | <b>790.75</b>           | <b>2,331.85</b>        |
| <b>(I) Employee Stock Option Reserve</b>  |                         |                         |                        |
| Opening Balance   | -                       | -                       | -                      |
| Add: Changes during the year  | 1,254.31                | -                       | -                      |
| <b>Closing Balance</b>  | <b>1,254.31</b>         | <b>-</b>                | <b>-</b>               |
| <b>(J) Foreign Currency Translation Reserve</b>                                     |                         |                         |                        |
| Opening Balance   | 2,657.09                | 2,652.24                | 2,652.24               |
| Add: Changes during the year  | (18.80)                 | 4.85                    | -                      |
| <b>Closing Balance</b>  | <b>2,638.29</b>         | <b>2,657.09</b>         | <b>2,652.24</b>        |
| <b>(K) Share Application Money (Refer Note 27.9)</b>                                |                         |                         |                        |
| Opening Balance   | -                       | 169.05                  | 169.05                 |
| -Changes during the year  | -                       | (169.05)                | -                      |
| <b>Closing Balance</b>  | <b>-</b>                | <b>-</b>                | <b>169.05</b>          |
| <b>(L) Money Received Against Share Warrants (Refer Note 27.8)</b>                  |                         |                         |                        |
| Opening Balance   | -                       | -                       | -                      |
| Amount Received During the year   | 14,578.35               | -                       | -                      |
| Less: Utilised toward Equity Shares Allotments                                      | (5,032.24)              | -                       | -                      |
| <b>Closing Balance</b>  | <b>9,546.11</b>         | <b>-</b>                | <b>-</b>               |
| <b>(M) Surplus / (Deficit) in the Statement of Profit and Loss</b>                  |                         |                         |                        |
| Opening Balance   | (265,292.48)            | (160,451.58)            | (160,451.58)           |
| Add: Net Profit / (Loss) For The Year   | (128,716.65)            | (104,501.04)            | -                      |
| Add / (Less): Adjustment due to change in NCI                                       | 348.34                  | (217.53)                | -                      |
|   | (393,660.79)            | (265,170.15)            | (160,451.58)           |
| Less: Appropriations  |                         |                         |                        |
| Transfer to Statutory Reserve (Net of NCI)  | (144.98)                | (122.33)                | -                      |
| <b>(I) Total Profit / (Loss)</b>  | <b>(393,805.77)</b>     | <b>(265,292.48)</b>     | <b>(160,451.58)</b>    |



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>Other Comprehensive Income (“OCI”)</b>                             |                         |                         |                        |
| Opening Balance   | (386.31)                | (22.57)                 | -                      |
| Add / (Less): Movement in OCI during the year                         |                         |                         |                        |
| • Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)  | (41.05)                 | 64.38                   | (22.57)                |
| • Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI | 104.06                  | (68.76)                 | -                      |
| • Net Gain / (Loss) on Debt Securities FVTOCI                         | 332.33                  | (405.44)                | -                      |
| Add / (Less): Adjustment due to change in NCI and Share of NCI        | (24.29)                 | 46.08                   | -                      |
| <b>(II) Total OCI</b>   | <b>(15.26)</b>          | <b>(386.31)</b>         | <b>(22.57)</b>         |
| <b>Total Comprehensive Income (I + II)</b>                            | <b>(393,821.03)</b>     | <b>(265,678.79)</b>     | <b>(160,474.15)</b>    |
| <b>Total Other Equity</b>   | <b>61,610.68</b>        | <b>165,807.67</b>       | <b>270,897.21</b>      |

**28.1 The Description of the nature and purpose of each reserve within other equity are as follows:****(i) Securities Premium Reserve**

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

**(ii) Capital Redemption Reserve (“CRR”)**

Capital Redemption Reserve are the reserve mainly created on buy back of the equity shares by few subsidiary companies in past. CRR cannot be used to pay the dividends.

**(iii) Capital Reserve arising out of Composite Scheme of Arrangement**

In past some subsidiary companies was merged with the Company. The difference between the amounts recorded as investments of the Company and the amount of share capital and share premium of amalgamating subsidiary companies are reported as “Capital Reserve arising out of Composite Scheme of Arrangement.”

**(iv) Capital Reserve on Consolidation**

This reserves was created during business combination for the gain on bargain purchase.

**(v) General Reserve**

It is a free reserve which is created by

- (1) appropriation from profits of the current year and / or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard; and
- (2) transfer from the balances in the other reserves that are no more required.

**(vi) Statutory Reserve**

NBFC companies of the Group need to transfer a part of profit to this reserve as per Prudential Norms of RBI / NHB.

**(vii) Short / (Excess) Payment for Shares in Subsidiaries Post Getting Control**

It reports the excess amount paid, over face value of the shares, by the Company to acquire the equity shares of its subsidiary from the non-controlling interest share holders.

**(viii) Debenture Redemption Reserve (“DRR”)**

The Act requires companies that issue debentures, to create DRR from annual profit until such debentures are redeemed. The Group has redeemed a part of its redeemable debentures during the year and has accordingly transfer amount from DRR to General Reserve. The amount credited to the DRR may not be utilised except to redeem debentures.

In case debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 a company requires to transfer 25% of the value of the outstanding debentures to DRR and no DRR is required in case of privately placed debenture.

**(ix) Employee Stock Option Reserve**

The difference between fair value and exercise price of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Reserve.

**(x) Foreign Currency Translation Reserve**

Foreign Currency Translation Reserve represents the exchange rate variation on the reporting date in respect of Subsidiary (ies) of the Company, being non-integral foreign operation.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

### 29 Non Controlling Interest

(Amount in ₹ lakhs, unless otherwise stated)

The following table summarises the financial information relating to subsidiaries that have non controlling interests:

| Particulars  | Total                |                      | Religare Health Insurance Company Limited |                      | Religare Finvest Limited |                      | Religare Housing Development Finance Corporation Limited* |                      |
|--|----------------------|----------------------|---|----------------------|--------------------------|----------------------|---|----------------------|
|  | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019                      | As at March 31, 2018 | As at March 31, 2019     | As at March 31, 2018 | As at March 31, 2019                                      | As at March 31, 2018 |
|  |                      |                      | India                                     | India                | India                    | India                | India   | India                |
| Country of Incorporation / Place of Business       |                      |                      |   |                      |                          |                      |   |                      |
| Proportion of Non Controlling Interest (%)         |                      |                      | 10.33%                                    | 9.22%                | 14.36%                   | 14.36%               | 12.50%  | 12.50%               |
| <b>(A) Balance Sheet</b>                           |                      |                      |   |                      |                          |                      |   |                      |
| Financial Assets                                   | 824,038.82           | 1,240,573.84         | 147,816.21                                | 101,512.96           | 597,291.42               | 1,048,216.24         | 78,931.19   | 90,844.64            |
| Non-financial Assets                               | 109,085.96           | 111,813.58           | 9,094.00                                  | 8,581.80             | 98,814.36                | 101,521.94           | 1,177.60  | 1,709.84             |
| Financial Liabilities                              | (695,501.81)         | (993,129.91)         | (36,943.55)                               | (29,257.73)          | (598,303.53)             | (890,180.68)         | (60,254.73)   | (73,691.50)          |
| Non-financial Liabilities                          | (78,567.66)          | (63,327.12)          | (75,287.70)                               | (53,062.79)          | (3,116.85)               | (10,124.89)          | (163.11)  | (139.44)             |
| <b>Net Assets</b>                                  | <b>159,055.31</b>    | <b>295,930.39</b>    | <b>44,678.96</b>                          | <b>27,774.24</b>     | <b>94,685.40</b>         | <b>249,432.61</b>    | <b>19,690.95</b>  | <b>18,723.54</b>     |
| <b>Carrying Amount of Non Controlling Interest</b> | <b>21,918.92</b>     | <b>41,843.10</b>     | <b>4,617.28</b>                           | <b>2,559.70</b>      | <b>13,598.38</b>         | <b>35,822.63</b>     | <b>3,703.26</b>   | <b>3,460.77</b>      |

| Particulars   | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   |                                   |                                   |                                   |                                   |                                   |                                   |
|   |                                   |                                   |                                   |                                   |                                   |                                   |
| <b>(B) Statement of Profit and Loss</b>                       |                                   |                                   |                                   |                                   |                                   |                                   |
| Total Income  | 214,825.94                        | 237,935.81                        | 122,250.56                        | 78,285.30                         | 79,565.99                         | 144,963.39                        |
| Profit / (Loss) For The Year                                  | (147,968.00)                      | (95,742.08)                       | 5,835.75                          | (1,526.70)                        | (154,806.09)                      | (95,318.57)                       |
| Other Comprehensive Income (Net of Tax)                       | 322.43                            | (480.86)                          | 298.49                            | (559.16)                          | 58.88                             | 94.71                             |
| <b>Total Comprehensive Income For The Year</b>                | <b>(147,645.57)</b>               | <b>(96,222.94)</b>                | <b>6,134.24</b>                   | <b>(2,085.86)</b>                 | <b>(154,747.21)</b>               | <b>(95,223.86)</b>                |
| <b>Attributable to Non Controlling Interests:</b>             |                                   |                                   |                                   |                                   |                                   |                                   |
| Profit / (Loss) For The Year                                  | (21,378.41)                       | (13,550.03)                       | 603.09                            | (140.70)                          | (22,232.71)                       | (13,689.32)                       |
| Other Comprehensive Income (Net of Tax)                       | 30.55                             | (46.08)                           | 30.85                             | (51.53)                           | 8.46                              | 13.60                             |
| <b>Total Comprehensive Income For The Year</b>                | <b>(21,347.86)</b>                | <b>(13,596.11)</b>                | <b>633.94</b>                     | <b>(192.23)</b>                   | <b>(22,224.25)</b>                | <b>(13,675.72)</b>                |
| <b>(C) Cash Flow Statement</b>                                |                                   |                                   |                                   |                                   |                                   |                                   |
| Net Cash Generated / (Used) from / in Operating Activities    | 349,254.30                        | 525,571.15                        | 23,796.59                         | 19,073.76                         | 308,184.34                        | 496,464.61                        |
| Net Cash Generated / (Used) from / in Investing Activities    | (11,635.40)                       | (53,301.09)                       | (33,277.44)                       | (25,954.80)                       | 23,855.25                         | (25,980.50)                       |
| Net Cash Generated / (Used) from / in Financing Activities    | (367,171.14)                      | (575,624.84)                      | 9,376.82                          | 7,007.96                          | (362,535.16)                      | (573,678.05)                      |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>(29,552.24)</b>                | <b>(103,354.78)</b>               | <b>(104.03)</b>                   | <b>126.92</b>                     | <b>(30,495.57)</b>                | <b>(103,193.94)</b>               |
| <b>(C) Dividend Paid to Non Controlling Interest</b>          | -                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
| <b>Total</b>  | -                                 | -                                 | -                                 | -                                 | -                                 | -                                 |

\* Religare Finvest Limited holds 87.50% stake in Religare Housing Development Finance Corporation Limited and the Company hold 85.64% stake in Religare Finvest Limited so effective holding of the Non Controlling Interest ("NCI") in Religare Housing Development Finance Corporation Limited is 25.07%.



(Amount in ₹ lakhs, unless otherwise stated)

**30. Interest Income (Revenue From Operations)\***

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Income From Lending Activities                                     | 78,834.56                            | 134,727.21                           |
| Interest Income on Fixed Deposits with Banks                       | 2,402.98                             | 3,073.66                             |
| Interest Income on Delayed Payments / Charges for Delayed Payments | 3,088.39                             | 5,368.99                             |
| Interest Income on Investments                                     | 8,822.10                             | 4,271.72                             |
| Interest Income on Inter Corporate Loans                           | -                                    | 264.88                               |
| <b>Total</b>   | <b>93,148.03</b>                     | <b>147,706.46</b>                    |

**\*Breakup of Interest Income:**

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>(A) On Financial Assets Measured at Amortised Cost</b>                               |                                      |                                      |
| Income From Lending Activities  | 78,834.56                            | 134,727.21                           |
| Interest Income on Fixed Deposits with Banks  | 2,402.98                             | 3,073.66                             |
| Interest Income on Delayed Payments / Charges for Delayed Payments                      | 3,088.39                             | 5,368.99                             |
| Interest Income on Investments  | 2,941.93                             | 988.33                               |
| Interest Income on Inter Corporate Loans  | -                                    | 264.88                               |
| <b>Subtotal (A)</b>   | <b>87,267.86</b>                     | <b>144,423.07</b>                    |
| <b>(B) On Financial Assets Measured at Fair Value Through Profit and Loss ("FVTPL")</b> |                                      |                                      |
| Income From Lending Activities  | -                                    | -                                    |
| Interest Income on Fixed Deposits with Banks  | -                                    | -                                    |
| Interest Income on Delayed Payments / Charges for Delayed Payments                      | -                                    | -                                    |
| Interest Income on Investments  | -                                    | -                                    |
| Interest Income on Inter Corporate Loans  | -                                    | -                                    |
| <b>Subtotal (B)</b>   | <b>-</b>                             | <b>-</b>                             |
| <b>(C) On Financial Assets Measured at Fair Value Through OCI ("FVTOCI")</b>            |                                      |                                      |
| Income From Lending Activities  | -                                    | -                                    |
| Interest Income on Fixed Deposits with Banks  | -                                    | -                                    |
| Interest Income on Delayed Payments / Charges for Delayed Payments                      | -                                    | -                                    |
| Interest Income on Investments  | 5,880.17                             | 3,283.39                             |
| Interest Income on Inter Corporate Loans  | -                                    | -                                    |
| <b>Subtotal (C)</b>   | <b>5,880.17</b>                      | <b>3,283.39</b>                      |
| <b>Total (A+B+C)</b>  | <b>93,148.03</b>                     | <b>147,706.46</b>                    |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 31. Fee and Commission Income

| Particulars                        | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Commission Income From Reinsurance | 3,141.93                             | 4,131.67                             |
| Other Commission Income            | 2,801.20                             | 6,033.34                             |
| <b>Total</b>                       | <b>5,943.13</b>                      | <b>10,165.01</b>                     |

### 32. Net Gain on Fair Value Changes

| Particulars                                      | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Net Gain on Fair Value Changes (Refer Note 32.1) | -                                    | 575.49                               |
| <b>Total</b>                                     | <b>-</b>                             | <b>575.49</b>                        |

#### 32.1 Gain / (Loss) on Fair Value Changes<sup>#</sup>

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| <b>(A) Net Gain / (Loss) on Financial Instruments at Fair Value Through Profit or Loss</b> |                                      |                                      |
| (i) On Trading Portfolio   |                                      |                                      |
| - Investments  | (248.40)                             | 575.49                               |
| - Derivatives  | -                                    | -                                    |
| - Others   | -                                    | -                                    |
| (ii) On Financial Instruments Designated at Fair Value Through Profit or Loss              | -                                    | -                                    |
| <b>(B) Others</b>  | -                                    | -                                    |
| <b>Total Net Gain on Fair Value Changes (A+B) (C)</b>                                      | <b>(248.40)</b>                      | <b>575.49</b>                        |
| <b>(D) Fair Value Changes</b>  |                                      |                                      |
| - Realised   | -                                    | -                                    |
| - Unrealised   | (248.40)                             | 575.49                               |
| <b>Total (D)</b>   | <b>(248.40)</b>                      | <b>575.49</b>                        |

<sup>#</sup> Fair value changes in this schedule are other than those arising on account of accrued interest income / expense.

### 33. Revenue From Sale of Services

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Income From Broking Operations <sup>^</sup>         | 19,518.40                            | 24,448.34                            |
| Income From Investment Management and Advisory Fees | -                                    | 254.80                               |
| Income From Advisory Services                       | 105.37                               | 267.35                               |
| <b>Total</b>  | <b>19,623.77</b>                     | <b>24,970.49</b>                     |

<sup>^</sup> Net of stamp duty expense Rs 797.29 Lakhs (March 31, 2018: Rs.1,063.47 Lakhs), Exchange Transaction Fees Rs 834.15 Lakhs (March 31, 2018: Rs 1,033.80 Lakhs)



(Amount in ₹ lakhs, unless otherwise stated)

**34. Other Revenue From Operations**

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Income From Insurance Premium (Net of Premium on re-insurance ceded)  | 109,009.54                           | 67,841.95                            |
| Income From Arbitrage and Trading of Securities and Derivatives (Net) | -                                    | 54.06                                |
| Other Income  | 539.84                               | 822.59                               |
| Profit on Sale/Redemption of Investments (Net)                        | 421.85                               | 310.70                               |
| <b>Total</b>  | <b>109,971.23</b>                    | <b>69,029.30</b>                     |

**35. Other Income**

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Balances Written Back / Bad Debts and Loans Written off Recovered | 2,426.72                             | 5,630.09                             |
| Income From Support Services                                      | 513.68                               | 211.04                               |
| Interest Income From Fixed Deposits With Banks*                   | 2,001.00                             | 5,114.34                             |
| Net Gain/(Loss) on Derecognition of Property, Plant and Equipment | 49.55                                | 34.40                                |
| Profit on Sale of Flats Under Construction Held For Sale (Net)    | 1.35                                 | 166.29                               |
| Profit on Sale/Redemption of Investments (Net)                    | 3,978.33                             | 4,283.87                             |
| Interest Income From Investments (Refer Note 35.1)                | 211.45                               | 3,693.69                             |
| Interest Income on Others*  | 1,695.37                             | 1,540.79                             |
| Miscellaneous Income  | 602.98                               | 420.51                               |
| <b>Total</b>  | <b>11,480.43</b>                     | <b>21,095.02</b>                     |

\* On Financial Assets measured at Amortised Cost.

**35.1 Interest Income From Investments (Other Income)**

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| (A) On Financial Assets Measured at Amortised Cost                               | 26.06                                | 2,209.23                             |
| (B) On Financial Assets Measured at Fair Value Through Profit and Loss ("FVTPL") | 185.39                               | 1,484.46                             |
| (C) On Financial Assets Measured at Fair Value Through OCI ("FVTOCI")            | -                                    | -                                    |
| <b>Total</b>   | <b>211.45</b>                        | <b>3,693.69</b>                      |





# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 36. Finance Costs

| Particulars                                 | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Interest on:                                |                                      |                                      |
| Borrowings                                  | 75,813.09                            | 106,518.33                           |
| Debt Securities                             |                                      |                                      |
| Debentures                                  | 1,227.73                             | 9,950.42                             |
| Commercial Papers                           | 351.01                               | 2,190.03                             |
| Subordinated Liabilities                    | 6,290.89                             | 6,546.62                             |
| Liability Portion of Preference Shares      | 577.55                               | 682.15                               |
| Client Margins                              | 243.95                               | 355.34                               |
| Others                                      | 37.57                                | 32.50                                |
| Other Borrowing Costs:                      |                                      |                                      |
| Bank Guarantee Commission and Other Charges | 456.37                               | 507.26                               |
| <b>Total</b>                                | <b>84,998.16</b>                     | <b>126,782.65</b>                    |

Note: The entire finance costs are on the financial liabilities measured at Amortised Cost.

### 37. Fee and Commission Expenses

| Particulars                       | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Commission and Brokerage Expenses | 5,243.51                             | 7,250.19                             |
| <b>Total</b>                      | <b>5,243.51</b>                      | <b>7,250.19</b>                      |

### 38. Net Loss on Fair Value Changes

| Particulars                                      | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Net Loss on Fair Value Changes (Refer Note 32.1) | 248.40                               | -                                    |
| <b>Total</b>                                     | <b>248.40</b>                        | <b>-</b>                             |

### 39. Impairment and Loss Allowances on Financial Instruments

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| <b>On Financial Instruments Measured at Amortised Cost (Net)</b> |                                      |                                      |
| - Loans  | 123,878.15                           | 122,192.87                           |
| - Investments  | 7,004.70                             | 6,000.00                             |
| - Receivables  | 1,097.96                             | 358.43                               |
| - Others Financial Assets  | 987.49                               | 2,948.18                             |
| <b>Total</b>   | <b>132,968.30</b>                    | <b>131,499.48</b>                    |



(Amount in ₹ lakhs, unless otherwise stated)

**40. Employee Benefit Expenses**

| Particulars                                | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Allowances and Bonus             | 45,018.86                            | 44,658.33                            |
| Contribution to Provident and Other Funds  | 2,552.14                             | 2,491.61                             |
| Share Based Payments to Employees          | 1,398.87                             | -                                    |
| Gratuity and Compensated Absences Expenses | 842.15                               | 971.53                               |
| Staff Welfare Expenses                     | 1,475.45                             | 1,378.07                             |
| Training and Recruitment Expenses          | 475.39                               | 337.15                               |
| <b>Total</b>                               | <b>51,762.86</b>                     | <b>49,836.69</b>                     |

**41. Depreciation, Amortization and Impairment**

| Particulars                  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|------------------------------|--------------------------------------|--------------------------------------|
| Depreciation (Refer Note 13) | 1,172.37                             | 1,500.70                             |
| Amortization (Refer Note 15) | 1,400.77                             | 1,505.17                             |
| <b>Total</b>                 | <b>2,573.14</b>                      | <b>3,005.87</b>                      |

**42. Other Expenses**

| Particulars                                    | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Rent, Rates and Taxes                          | 4,472.64                             | 4,765.09                             |
| Repairs and Maintenance                        | 1,522.24                             | 1,700.67                             |
| Communication Expenses                         | 1,451.28                             | 1,501.19                             |
| Printing and Stationery                        | 618.24                               | 761.19                               |
| Advertisement and Business Promotion           | 8,852.69                             | 8,661.29                             |
| Directors' Fees, Allowances and Other Expenses | 132.60                               | 107.18                               |
| Payment to Auditors (Refer Note 42.1)          | 129.75                               | 133.76                               |
| Legal and Professional Expenses                | 15,411.30                            | 12,923.74                            |
| Insurance                                      | 172.63                               | 277.60                               |
| Support Services Fees                          | 35.04                                | 566.76                               |
| Loss on Account of Error Trades (Net)          | 8.07                                 | 13.35                                |
| Database Expenses                              | 290.86                               | 505.34                               |
| Postage and Courier                            | 780.67                               | 792.54                               |
| Office Expenses                                | 1,252.71                             | 1,225.57                             |
| Membership and Subscription Expenses           | 388.00                               | 235.98                               |
| Custodial and Stamp Charges                    | 615.86                               | 525.68                               |
| Transaction Charges                            | 290.66                               | 204.30                               |
| Travel and Conveyance                          | 3,243.63                             | 4,034.96                             |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Electricity and Water Expenses                                 | 1,199.48                             | 1,352.18                             |
| Filing and Registration Fees                                   | 53.55                                | 159.83                               |
| Bank Charges   | 409.52                               | 285.33                               |
| Fines and Penalties  | 4.99                                 | 50.54                                |
| Storage and Warehouse Charges                                  | 132.99                               | 126.39                               |
| Bad Debts and Loans and Balances Written Off                   | 8,652.91                             | 13,965.70                            |
| Software Expenses  | 418.57                               | 349.01                               |
| Service Tax and GST Expense                                    | 814.28                               | 1,060.94                             |
| Rating Expenses  | 148.60                               | 247.99                               |
| Loss on Sale of Assets Acquired in Satisfaction of Debts (Net) | -                                    | 64.94                                |
| Amortisation of Excess Interest Spread ("EIS")                 | 232.47                               | 2,283.62                             |
| Claims and Other Benefits                                      | 60,267.14                            | 35,321.03                            |
| Loss on Sale of Bullions (Refer Note 42.2)                     | -                                    | 27.67                                |
| Miscellaneous Expenses   | 718.33                               | 1,655.43                             |
| <b>Total</b>   | <b>112,721.70</b>                    | <b>95,886.79</b>                     |

### 42.1 Payment to Auditors

| Particulars                   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|-------------------------------|--------------------------------------|--------------------------------------|
| As Auditor:                   |                                      |                                      |
| Audit Fees                    | 96.84                                | 88.30                                |
| Tax Audit Fees                | 9.05                                 | 7.77                                 |
| In other Capacity:            |                                      |                                      |
| Fees For Other Services       | 15.74                                | 16.75                                |
| For Reimbursement of Expenses | 8.12                                 | 20.94                                |
| <b>Total</b>                  | <b>129.75</b>                        | <b>133.76</b>                        |

### 42.2 Profit / (Loss) on Sale of Bullion

| Profit / (Loss) on Sale of Bullion      | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Sale of Bullion                         | -                                    | 41.25                                |
| Less: Purchase of Bullion               | -                                    | -                                    |
| Less: Changes in Inventories of Bullion | -                                    | 68.92                                |
| <b>Profit / (Loss) for the Year</b>     | <b>-</b>                             | <b>(27.67)</b>                       |



(Amount in ₹ lakhs, unless otherwise stated)

**42.3 Corporate Social Responsibility (“CSR”) Expenses**

(a) Gross amount required to be spent by the group companies during the current year is Rs 63.42 Lakhs (March 31, 2018: Rs 279.45 Lakhs).

(b) Amount spent during the year on:

| Particulars                               | In cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| (i) Construction/acquisition of any asset | -       | -                      | -     |
| (ii) On purposes other than (i) above     | -       | -                      | -     |

(c) Related party transactions during the year in relation to CSR expenditure is Rs Nil (March 31, 2018: Nil)

(d) The Company has not created any provision towards CSR expenditure during the year. Accordingly, the movement in provision during the year is Rs Nil.

**43. Income Tax Expense****a) Income Tax Recognised in Profit and Loss**

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>Current Tax Expense</b>  |                                      |                                      |
| Current tax on profits for the year                               | 304.62                               | 792.86                               |
| Tax for Earlier Years (Net)                                       | 125.36                               | (1,229.67)                           |
|   | 429.98                               | (436.81)                             |
| <b>MAT Credit Entitlement (Created) / Reversed</b>                | (96.27)                              | 497.66                               |
| <b>Deferred Tax Expense</b>                                       |                                      |                                      |
| <b>Origination and reversal of temporary differences</b>          |                                      |                                      |
| Incremental / (Decremental) Deferred Tax Liability on Account of: |                                      |                                      |
| Disallowances / Deduction Under Income Tax                        | (332.26)                             | (110.60)                             |
| (Incremental) / Decremental Deferred Tax Assets on Account of:    |                                      |                                      |
| Expected Credit Losses Allowance                                  | (19,638.52)                          | (18,822.35)                          |
| Provision for Employee Benefits                                   | 29.70                                | 96.29                                |
| Carry Forward Losses  | 19,065.89                            | (4,203.24)                           |
| Property, Plant and Equipments                                    | 67.00                                | 24.95                                |
| Others  | 216.32                               | 262.29                               |
|   | (591.87)                             | (22,752.66)                          |
| <b>Total Income Tax Expenses Recognised in Profit and Loss</b>    | <b>(258.16)</b>                      | <b>(22,691.81)</b>                   |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### b) Deferred Tax Related to Items Recognised in OCI During the Year

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| <b>Current Tax Expense</b>   |                                      |                                      |
| Remeasurement on Defined Benefit Plans                                 | -                                    | -                                    |
| <b>Deferred Tax Related to Items Recognised in OCI During the Year</b> | -                                    | -                                    |

### c) The income tax expenses for the year can be reconciled to the accounting profit as follows:

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Profit Before Tax (A)  | (150,353.21)                         | (140,742.86)                         |
| <b>Computed Tax Expense Based on Applicable Tax Rates to Group Companies (B)</b> | <b>1,616.70</b>                      | <b>854.91</b>                        |
| <b>Tax Effect of :</b>   |                                      |                                      |
| Expenses disallowed for tax purpose  | 2.51                                 | 182.29                               |
| Deduction Claimed / Expenses Allowed for Tax Purpose                             | (88.30)                              | (236.38)                             |
| Losses Set off   | (1,228.63)                           | (3.15)                               |
| Income taxes related to prior years  | 125.36                               | (1,229.67)                           |
| Others (Net)   | 2.34                                 | (4.81)                               |
| <b>Current Tax Provision (C)</b>   | <b>429.98</b>                        | <b>(436.81)</b>                      |
| <b>MAT Credit Entitlement Created / (Reversed) (D)</b>                           | <b>(96.27)</b>                       | <b>497.66</b>                        |
| <b>Deferred Tax Provision (Refer Note 43(a) above) (E)</b>                       | <b>(591.87)</b>                      | <b>(22,752.66)</b>                   |
| <b>Tax Expenses recognised in Statement of Profit and Loss (C + D + E) (F)</b>   | <b>(258.16)</b>                      | <b>(22,691.81)</b>                   |

(Refer Note 12)

### 44. Earnings Per Share ("EPS")

| Particulars   | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Profit / (Loss) attributable to equity holders (Rs in Lakhs)                          | (128,716.65)                         | (104,501.04)                         |
| Weighted average number of Equity Shares used for calculating Basic EPS (Nos)         | 203,286,309                          | 178,439,038                          |
| Effect of dilutive equivalent share options (Nos)                                     | -                                    | -                                    |
| Total weighted average number of Equity Shares used for calculating Diluted EPS (Nos) | 203,286,309                          | 178,439,038                          |
| Basic Earnings Per Share (Rs)   | (63.32)                              | (58.56)                              |
| Diluted Earnings Per Share (Rs)   | (63.32)                              | (58.56)                              |
| Face Value Per Equity Share, fully Paid up (Rs)                                       | 10.00                                | 10.00                                |



(Amount in ₹ lakhs, unless otherwise stated)

**45. Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars                         | As at March 31, 2019 |                   |                   | As at March 31, 2018 |                   |                     | As at April 1, 2017 |                     |                     |
|-------------------------------------|----------------------|-------------------|-------------------|----------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                                     | Within 12 months     | After 12 months   | Total             | Within 12 months     | After 12 months   | Total               | Within 12 months    | After 12 months     | Total               |
| <b>ASSETS</b>                       |                      |                   |                   |                      |                   |                     |                     |                     |                     |
| <b>Financial Assets</b>             |                      |                   |                   |                      |                   |                     |                     |                     |                     |
| Cash and Cash Equivalents           | 17,303.43            | -                 | 17,303.43         | 50,768.06            | -                 | 50,768.06           | 154,594.67          | -                   | 154,594.67          |
| Bank Balance Other Than Above       | 112,002.81           | -                 | 112,002.81        | 123,701.44           | -                 | 123,701.44          | 47,541.13           | -                   | 47,541.13           |
| Receivables                         |                      |                   |                   |                      |                   |                     |                     |                     |                     |
| - Trade Receivables                 | 31,733.93            | 2,896.20          | 34,630.13         | 27,980.14            | 2,771.83          | 30,751.97           | 60,465.83           | 2,665.78            | 63,131.61           |
| Loans                               | 169,856.52           | 335,703.25        | 505,559.77        | 339,565.82           | 573,724.46        | 913,290.28          | 491,507.16          | 999,546.88          | 1,491,054.04        |
| Investments                         | 31,697.16            | 112,077.94        | 143,775.10        | 35,637.61            | 84,079.47         | 119,717.08          | 81,772.13           | 55,510.30           | 137,282.43          |
| Other Financial Assets              | 14,534.50            | 5,510.50          | 20,045.00         | 11,209.16            | 6,958.75          | 18,167.91           | 15,844.08           | 11,776.94           | 27,621.02           |
| <b>Non-financial Assets</b>         |                      |                   |                   |                      |                   |                     |                     |                     |                     |
| Inventories                         | 9.67                 | -                 | 9.67              | 4.05                 | -                 | 4.05                | 71.48               | -                   | 71.48               |
| Current Tax Assets (Net)            | 32,219.30            | 541.63            | 32,760.93         | 30,236.19            | 405.18            | 30,641.37           | 21,974.56           | 229.71              | 22,204.27           |
| Deferred Tax Assets (Net)           | 267.87               | 52,114.55         | 52,382.42         | 171.60               | 51,522.68         | 51,694.28           | 681.51              | 28,757.76           | 29,439.27           |
| Property, Plant and Equipments      | -                    | 2,857.17          | 2,857.17          | -                    | 2,640.27          | 2,640.27            | -                   | 3,386.31            | 3,386.31            |
| Goodwill                            | -                    | 972.04            | 972.04            | -                    | 972.04            | 972.04              | -                   | 972.04              | 972.04              |
| Other Intangible Assets             | -                    | 4,448.50          | 4,448.50          | 0.01                 | 4,355.66          | 4,355.67            | -                   | 4,229.65            | 4,229.65            |
| Capital Work-in-Progress            | -                    | 67.50             | 67.50             | -                    | -                 | -                   | -                   | -                   | -                   |
| Intangible Assets Under Development | -                    | 1,318.75          | 1,318.75          | -                    | 1,118.59          | 1,118.59            | 12.04               | 1,178.70            | 1,190.74            |
| Other Non-Financial Assets          | 28,187.52            | 1,481.36          | 29,668.88         | 36,938.49            | 1,480.35          | 38,418.84           | 33,878.62           | 1,394.95            | 35,273.57           |
| <b>Total Assets</b>                 | <b>437,812.71</b>    | <b>519,989.39</b> | <b>957,802.10</b> | <b>656,212.57</b>    | <b>730,029.28</b> | <b>1,386,241.85</b> | <b>908,343.21</b>   | <b>1,109,649.02</b> | <b>2,017,992.23</b> |





# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Particulars   | As at March 31, 2019 |                   |                   | As at March 31, 2018 |                   |                     | As at April 1, 2017 |                   |                     |
|---|----------------------|-------------------|-------------------|----------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
|   | Within 12 months     | After 12 months   | Total             | Within 12 months     | After 12 months   | Total               | Within 12 months    | After 12 months   | Total               |
| <b>LIABILITIES</b>  |                      |                   |                   |                      |                   |                     |                     |                   |                     |
| <b>Financial Liabilities</b>  |                      |                   |                   |                      |                   |                     |                     |                   |                     |
| Payables  |                      |                   |                   |                      |                   |                     |                     |                   |                     |
| - Trade Payables  |                      |                   |                   |                      |                   |                     |                     |                   |                     |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 47.03                | -                 | 47.03             | -                    | -                 | -                   | -                   | -                 | -                   |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 26,275.68            | 56.68             | 26,332.36         | 23,807.54            | 58.20             | 23,865.74           | 32,058.78           | 38.33             | 32,097.11           |
| - 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 | 14,053.94            | -                 | 14,053.94         | 14,065.34            | -                 | 14,065.34           | 8,232.11            | -                 | 8,232.11            |
| Debt Securities   | -                    | -                 | -                 | 44,535.37            | -                 | 44,535.37           | 171,277.23          | 7,593.44          | 178,870.67          |
| Borrowings (Other than Debt Securities)   | 289,392.86           | 325,944.89        | 615,337.75        | 361,366.33           | 531,884.95        | 893,251.28          | 409,327.12          | 831,734.04        | 1,241,061.16        |
| Subordinated Liabilities  | -                    | 56,794.41         | 56,794.41         | -                    | 56,700.47         | 56,700.47           | 21,780.00           | 56,606.53         | 78,386.53           |
| Other Financial Liabilities   | 56,046.14            | 2,656.54          | 58,702.68         | 59,323.31            | 2,873.21          | 62,196.52           | 84,795.60           | 2,693.66          | 87,489.26           |
| <b>Non-Financial Liabilities</b>  |                      |                   |                   |                      |                   |                     |                     |                   |                     |
| Provisions  | 1,314.24             | 200.66            | 1,514.90          | 1,356.07             | 104.85            | 1,460.92            | 1,749.87            | 380.23            | 2,130.10            |
| Other Non-Financial Liabilities   | 79,794.66            | 0.50              | 79,795.16         | 64,669.42            | 0.50              | 64,669.92           | 46,032.96           | 0.50              | 46,033.46           |
| <b>Total Liabilities</b>  | <b>466,924.55</b>    | <b>385,653.68</b> | <b>852,578.23</b> | <b>569,123.38</b>    | <b>591,622.18</b> | <b>1,160,745.56</b> | <b>775,253.67</b>   | <b>899,046.73</b> | <b>1,674,300.40</b> |
| <b>Net</b>  | <b>(29,111.84)</b>   | <b>134,335.71</b> | <b>105,223.87</b> | <b>87,089.19</b>     | <b>138,407.10</b> | <b>225,496.29</b>   | <b>133,089.54</b>   | <b>210,602.29</b> | <b>343,691.83</b>   |

With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Where there is breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Financial Statements for issue, not to demand payment as a consequence of breach.



46. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

| As at March 31, 2019  |  |                         |   |                         |   |                         |   |  |                         |
|---|--|-------------------------|---|-------------------------|---|-------------------------|---|--|-------------------------|
| Name of the Entity  | Net Assets<br>(Total Assets minus Total Liabilities) |                         | Share in Profit or (Loss)               |                         | Share in Other Comprehensive Income               |                         | Share in Total Comprehensive Income               |  | Amount<br>(Rs in Lakhs) |
|   | As a % of Consolidated Net Assets                    | Amount<br>(Rs in Lakhs) | As a % of Consolidated Profit or (Loss) | Amount<br>(Rs in Lakhs) | As a % of Consolidated Other Comprehensive Income | Amount<br>(Rs in Lakhs) | As a % of Consolidated Total Comprehensive Income |  |                         |
| <b>(1)</b>  | <b>(2)</b>   | <b>(3)</b>              | <b>(4)</b>                              | <b>(5)</b>              | <b>(6)</b>  | <b>(7)</b>              | <b>(8)</b>  |  | <b>(9)</b>              |
| <b>Parent</b>   |  |                         |   |                         |   |                         |   |  |                         |
| Religare Enterprises Limited  | 199.17%  | 165,915.27              | 11.35%                                  | (14,611.22)             | 4.44%   | 16.19                   | 11.37%  |  | (14,595.03)             |
| <b>Subsidiaries - Indian</b>  |  |                         |   |                         |   |                         |   |  |                         |
| Religare Finvest Limited  | 113.66%  | 94,685.40               | 120.27%                                 | (154,806.09)            | 16.14%  | 58.88                   | 120.56%   |  | (154,747.21)            |
| Religare Commodities Limited  | 6.86%  | 5,715.34                | -0.13%                                  | 170.20                  | 2.63%   | 9.59                    | -0.14%  |  | 179.79                  |
| Religare Housing Development Finance Corporation Limited                          | 23.64%   | 19,690.93               | -0.78%                                  | 1,002.34                | -9.58%  | (34.94)                 | -0.75%  |  | 967.40                  |
| Religare Health Insurance Company Limited   | 53.63%   | 44,678.96               | -4.53%                                  | 5,835.35                | 81.83%  | 298.49                  | -4.78%  |  | 6,133.84                |
| Cerestra Advisors Limited   | 0.00%  | -                       | 0.00%                                   | -                       | 0.00%   | -                       | 0.00%   |  | -                       |
| Religare Comtrade Limited   | -12.15%  | (10,118.67)             | 1.52%                                   | (1,961.07)              | 0.00%   | -                       | 1.53%   |  | (1,961.07)              |
| Religare Broking Limited  | 18.72%   | 15,594.50               | 0.88%                                   | (1,136.86)              | 12.92%  | 47.13                   | 0.85%   |  | (1,089.73)              |
| Religare Insurance Limited  | 0.00%  | 0.05                    | 0.00%                                   | -                       | 0.00%   | -                       | 0.00%   |  | -                       |
| Religare Advisors Limited (formerly known as Religare Wealth Management Limited)  | -1.42%   | (1,182.03)              | 0.06%                                   | (73.90)                 | 0.00%   | -                       | 0.06%   |  | (73.90)                 |
| Religare Credit Advisor Private Limited   | 0.11%  | 93.09                   | 0.01%                                   | (10.42)                 | 0.00%   | -                       | 0.01%   |  | (10.42)                 |
| Argil Advisor LLP   | 0.00%  | -                       | 0.00%                                   | -                       | 0.00%   | -                       | 0.00%   |  | -                       |
| Religare Business Solution Limited  | 0.00%  | 1.24                    | 0.00%                                   | (1.81)                  | 0.00%   | -                       | 0.00%   |  | (1.81)                  |
| <b>Subsidiaries - Foreign</b>   |  |                         |   |                         |   |                         |   |  |                         |
| Religare Global Asset Management Inc.   | -0.12%   | (96.78)                 | -0.12%                                  | 152.01                  | 0.00%   | -                       | -0.12%  |  | 152.01                  |
| <b>Minority Interest in all subsidiaries</b>                                      | -26.31%  | (21,918.92)             | -16.61%                                 | 21,378.41               | -8.37%  | (30.55)                 | -16.63%   |  | 21,347.86               |
| <b>Joint Ventures (Investment as per equity method) - Indian</b>                  |  |                         |   |                         |   |                         |   |  |                         |
| IBOF Investment Management Private Limited  | -0.38%   | (314.49)                | 0.01%                                   | (8.96)                  | 0.00%   | -                       | 0.01%   |  | (8.96)                  |
| <b>Net Goodwill on Consolidation (All on standalone companies reported above)</b> | 1.17%  | 972.04                  | 0.00%                                   | -                       | 0.00%   | -                       | 0.00%   |  | -                       |
| <b>Intercompany elimination and other consolidated adjustments</b>                | -276.59%   | (230,410.98)            | -11.93%                                 | 15,355.37               | 0.00%   | -                       | -11.96%   |  | 15,355.37               |
| <b>Total</b>  | <b>100.00%</b>                                       | <b>83,304.95</b>        | <b>100.00%</b>                          | <b>(128,716.65)</b>     | <b>100.00%</b>                                    | <b>364.79</b>           | <b>100.00%</b>                                    |  | <b>(128,351.86)</b>     |



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| As at March 31, 2018  |  |                      |   |                      |   |                      |   |                      |
|---|--|----------------------|---|----------------------|---|----------------------|---|----------------------|
| Name of the Entity  | Net Assets<br>(Total Assets minus Total Liabilities <sup>^</sup> ) |                      | Share in Profit or (Loss)               |                      | Share in Other Comprehensive Income               |                      | Share in Total Comprehensive Income               |                      |
|   | As a % of Consolidated Net Assets                                  | Amount (Rs in Lakhs) | As a % of Consolidated Profit or (Loss) | Amount (Rs in Lakhs) | As a % of Consolidated Other Comprehensive Income | Amount (Rs in Lakhs) | As a % of Consolidated Total Comprehensive Income | Amount (Rs in Lakhs) |
| (1)   | (2)  | (3)                  | (4)                                     | (5)                  | (6)   | (7)                  | (8)   | (9)                  |
| <b>Parent</b>   |  |                      |   |                      |   |                      |   |                      |
| Religare Enterprises Limited  | 82.13%   | 150,835.26           | 31.22%                                  | (32,625.16)          | 2.99%   | (10.87)              | 31.12%  | (32,636.03)          |
| <b>Subsidiaries - Indian</b>  |  |                      |   |                      |   |                      |   |                      |
| Religare Finvest Limited  | 135.82%  | 249,432.61           | 91.21%                                  | (95,318.55)          | -26.03%   | 94.69                | 90.81%  | (95,223.86)          |
| Religare Commodities Limited  | 3.01%  | 5,535.52             | -0.20%                                  | 206.15               | -3.13%  | 11.39                | -0.21%  | 217.54               |
| Religare Housing Development Finance Corporation Limited                          | 10.20%   | 18,723.54            | -1.06%                                  | 1,103.18             | 4.51%   | (16.41)              | -1.04%  | 1,086.77             |
| Religare Health Insurance Company Limited   | 15.12%   | 27,774.24            | 1.46%                                   | (1,526.70)           | 153.73%   | (559.16)             | 1.99%   | (2,085.86)           |
| Cerestra Advisors Limited   | 0.00%  | -                    | 0.04%                                   | (39.69)              | 0.00%   | -                    | 0.04%   | (39.69)              |
| Religare Comtrade Limited   | -5.92%   | (10,870.29)          | 13.31%                                  | (13,903.95)          | 0.00%   | -                    | 13.26%  | (13,903.95)          |
| Religare Broking Limited  | 9.08%  | 16,684.24            | -0.39%                                  | 406.11               | -19.43%   | 70.66                | -0.45%  | 476.77               |
| Religare Insurance Limited  | 0.00%  | 0.05                 | 0.00%                                   | (0.01)               | 0.00%   | -                    | 0.00%   | (0.01)               |
| Religare Advisors Limited (formerly known as Religare Wealth Management Limited)  | -0.60%   | (1,108.13)           | 0.28%                                   | (291.39)             | 0.04%   | (0.13)               | 0.28%   | (291.52)             |
| Religare Credit Advisor Private Limited   | 0.06%  | 103.51               | -0.01%                                  | 9.53                 | 0.00%   | -                    | -0.01%  | 9.53                 |
| Argil Advisor LLP   | 0.00%  | 0.01                 | 0.00%                                   | -                    | 0.00%   | -                    | 0.00%   | -                    |
| Religare Business Solution Limited  | 0.00%  | 1.05                 | 0.00%                                   | (0.56)               | 0.00%   | -                    | 0.00%   | (0.56)               |
| <b>Subsidiaries - Foreign</b>   |  |                      |   |                      |   |                      |   |                      |
| Religare Global Asset Management Inc.   | -0.13%   | (230.00)             | 0.04%                                   | (40.94)              | 0.00%   | -                    | 0.04%   | (40.94)              |
| Religare Commodity DMCC   | 0.00%  | -                    | 0.00%                                   | (0.32)               | 0.00%   | -                    | 0.00%   | (0.32)               |
| <b>Minority Interest in all subsidiaries</b>                                      | -22.78%  | (41,843.10)          | -12.97%                                 | 13,550.04            | -12.67%   | 46.09                | -12.97%   | 13,596.13            |
| <b>Joint Ventures (Investment as per equity method) - Indian</b>                  |  |                      |   |                      |   |                      |   |                      |
| IBOF Investment Management Private Limited  | -0.17%   | (305.52)             | 0.02%                                   | (22.98)              | 0.00%   | -                    | 0.02%   | (22.98)              |
| <b>Net Goodwill on Consolidation (All on standalone companies reported above)</b> | 0.53%  | 972.04               | 0.00%                                   | -                    | 0.00%   | -                    | 0.00%   | -                    |
| <b>Intercompany elimination and other consolidated adjustments</b>                | -126.35%   | (232,051.84)         | -22.96%                                 | 23,994.20            | 0.00%   | -                    | -22.88%   | 23,994.20            |
| <b>Total</b>  | <b>100.00%</b>   | <b>183,653.19</b>    | <b>100.00%</b>                          | <b>(104,501.04)</b>  | <b>100.00%</b>                                    | <b>(363.74)</b>      | <b>100.00%</b>                                    | <b>(104,864.78)</b>  |



(Amount in ₹ lakhs, unless otherwise stated)

**47. Contingent Liabilities and Commitments****(a) Contingent Liabilities**

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| (a) Claims against the Group not acknowledged as debts  | <b>1,114.71</b>         | 1,156.22                | 615.42                 |
| (b) Guarantees*   |                         |                         |                        |
| - Guarantees given to the bankers by the Company / subsidiaries / joint ventures                  | -                       | 1,615.00                | -                      |
| - Bank Guarantees given by the bankers on behalf of the Company / subsidiaries / joint ventures   | <b>21,511.09</b>        | 23,173.37               | 51,590.82              |
| - Other Bank Guarantees   | <b>94.21</b>            | 110.35                  | 74.80                  |
| (c) Other money for which the company is contingently liable                                      |                         |                         |                        |
| - Disputed Income Tax Demands not provided for <sup>^</sup>                                       | <b>12,248.18</b>        | 21,422.13               | 22,232.24              |
| - Disputed Service Tax Demand not provided for <sup>§</sup>                                       | <b>387.26</b>           | 501.73                  | 139.73                 |
| - Disputed Value Added Tax ("VAT") demand not provided for <sup>#</sup>                           | <b>702.25</b>           | 5,297.96                | 4,776.06               |
| - Disputed Provident Fund ("PF") demand not provided for <sup>@</sup>                             | <b>123.85</b>           | 123.65                  | 123.52                 |
| - Show Cause Notice - Penalty levied by RBI   | -                       | -                       | 50.00                  |
| - Difference due to ROI increase, Penal and other charges debited by banks**                      | <b>3,123.35</b>         | -                       | -                      |
| - Collateral for assignment of receivables  | -                       | 3,334.02                | 5,355.27               |
| - Underwriting commitments / obligations for shares/ debentures / Letter of Comfort <sup>^^</sup> | <b>96,389.87</b>        | 87,325.54               | 36,042.57              |
| <b>Total</b>  | <b>135,694.77</b>       | 144,059.97              | 121,000.43             |

Future cash outflows in respect of points (a) and (c) in above table are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Group is of the opinion that above demands or claims are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

\* Certain guarantees have been disclosed at net outstanding value instead of face value.

During the year ended March 31, 2019, the Company has given corporate guarantee to bankers on behalf of a subsidiary company Religare Broking Limited amounting to Rs 5,000 lakhs against the fund based and non fund based facilities. As on March 31, 2019, the outstanding fund based and non fund based facilities availed by aforesaid subsidiaries against the Company's bank guarantee amounts to Rs Nil.

<sup>^</sup> (i) Inclusive of interest levied u/s 234 B of Income Tax Act, 1961.

(ii) Out of this Religare Finvest Limited ("RFL"), a subsidiary of the Company : (a) Rs 426.02 lakhs (March 31, 2018: Rs 5,394.31 lakhs and April 1, 2017: Rs 5,457.10 lakhs) has been adjusted with tax refunds due to it; and (b) For Assessment Year 2014-15 a demand of Rs 600.00 lakhs (March 31, 2018: Rs 400.00 lakhs) has been paid in protest.

(iii) Amount paid under protest Rs 42 Lakh by Religare Commodities Limited, a wholly owned sub-subsidiary of the Company.

<sup>§</sup> Excludes penalty of Rs 102.32 Lakhs levied by the Commissioner of Central Excise in Religare Broking Limited. The said penalty is contingent upon base tax demand adjudicated by the Tax Authority. Currently the matter is pending with CESTAT.

<sup>#</sup> (i) Net of Bank Guarantees given of Rs 13.85 lakhs (March 31, 2018: Rs 2,447.13 lakhs and April 1, 2017: Rs 2,308.28 lakhs) included in point number (b) above table.

(ii) In RFL out of this, Rs 31.71 lakhs (March 31, 2018: Rs 1,014.39 lakhs and April 1, 2017: Rs 989.26 lakhs) has been paid under protest.

<sup>@</sup> Amount paid under protest Rs 21.46 Lakhs by Religare Broking Limited, a wholly owned subsidiary of the Company.

<sup>\*\*</sup> Some of the lenders have increased interest rates mainly due to downgrade in External Credit Rating ("ECR") of the couple of Group companies. Said companies have raised the concern and is pursuing with the banks for restoring the contractual Rate of Interest ("ROI").



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

^^Underwriting commitments / obligations for shares/ debentures / Letter of Comfort includes followings:

- (i) During the year ended March 31, 2018, non-resident shareholders of Religare Finvest Limited ("RFL"), a subsidiary of the Company, subsequent to exercise of put option for a consideration as per the Option Agreement had filed petitions in the Hon'ble Delhi High Court praying for interim and mandatory relief or give bank guarantees of the said amounts in order to secure their interests. On January 5, 2018 the Hon'ble High Court passed an order stating the RFL shall maintain as unencumbered and not encash Fixed Deposits ("FD") with Laxmi Vilas Bank Limited ("LVB"). As per the information available with management the fixed deposit has been encashed by LVB on February 22, 2018 in respect of which RFL has filed suit for recovery of FD before Hon'ble Delhi High court. Accounting impact will be given on the basis of outcome of the final order. Estimated value of exercised put option as at March 31, 2019 amounts to Rs 84,182.34 Lakhs (March 31, 2018: Rs 73,844.16 Lakhs and April 1, 2017: Rs 27,709.25 Lakhs) as included above. Next date of hearing is July 15, 2019. The parties are currently in advance stage of negotiation to resolve this matter. The Company is not anticipating any material financial impact of these negotiations on the financial statement. (Refer Note 5.2)
  - (ii) During the year ended March 31, 2018, Religare Capital Markets International (Mauritius) Limited's (a sub-subsidiary of the Company) partner in Bartleet Religare Securities Private Limited, has exercised the put option for a consideration as per the Option shareholders' agreement between Religare Capital Markets International (Mauritius) Limited and Bartleet Transcapital Limited. Subsequently the Company has entered into Sale and Purchase Agreement for sale of its share of its investment in Bartleet Religare Securities Private Limited to Bartleet Transcapital Limited the non resident holder. REL has filed two applications for deletion of REL as a party and recall of the order dated March 21, 2018. On December 18, 2018, order was passed by Debt Recovery Tribunal ("DRT") dismissing both applications filed on behalf of Religare for deletion as a party and recalling the order dated March 21, 2018. REL has filed an appeal before the Debt Recovery Appellate Tribunal ("DRAT") against the order dated December 18, 2018 which is listed on August 13, 2019. Estimated value of exercised put option as at March 31, 2019 amounts to Rs 7,207.53 Lakhs (March 31, 2018: Rs 6,814.71 Lakhs ) as included above.
  - (iii) Letter of Comfort issued to banker, by a subsidiary of the Company, for loan taken by its subsidiary company. Outstanding loan as on March 31, 2019 5,000 Lakhs (March 31, 2018: Rs 6,666.67 Lakhs and April 1, 2017: Rs 8,333.33 Lakhs).
- (I) The Audit Committee and the Board of Directors on December 8, 2016 and December 10, 2016 respectively, approved the payment of Brand License Fees to RHC Holding Private Limited ("RHC") for period of 6 years effective April 01, 2016 for usage of the "Religare" trademark / brand. Further, on January 17, 2017, the Audit Committee approved to enter into Sub-license agreement with various subsidiaries for the sub-license and usage of the "Religare" trademark for recovery from them on proportionate basis to their turnover, of the brand license fees payable by the Company to RHC.
- Pursuant to letter dated February 21, 2017 between the Company and RHC, for the ease of administration and operation, it has been agreed to pay such fees directly by operating subsidiaries of the Company. Accordingly, the Company advised its subsidiaries for payment of brand sub license fee prescribed under the Sub-license agreements directly to RHC as due discharge of their obligation under the said agreements. Accordingly, no related party transaction for expense and recovery thereof is accounted for in the Company. During the year ended March 31, 2018, RHC assigned the trademark "Religare" and its logo to Elive Infotech Private Limited ("assignee" / "Elive") and the right to sell, assign, transfer or encumber all or portion of its rights and obligations for the trademark or other rights in said trademarks. Further, Elive has waived the right to receive the brand license fee from REL and its subsidiaries / affiliates till the time interest on loans availed by the group companies of Elive and RHC from Religare Finvest Limited is serviced.
- In the suit titled SCCPL & Another vs. LVB & Others having no. CS(COMM) 633/2018 pending before the Hon'ble Delhi High Court, SCCPL had claimed ownership of "Religare" brand by way of an Assignment Deed allegedly executed in its favour by RHC and Elive. The Hon'ble Delhi High Court vide its order dated February 22, 2018 passed an order to maintain status quo regarding the "Religare" trademark. It is pertinent to mention here that RHC, Elive and Ranchem have filed an application under Section 340 Code of Criminal Procedure ("CrPC") against SCCPL for willfully knowing and deliberately making false statement, filing forged Board Resolution dated November 9, 2017, for filing forged and fabricated share transfer forms.
- (II) Axis Bank has filed an original application ("OA") before the DRT-II, Delhi for recovery of approx Rs 31,300 lakhs under a facility agreement between Axis Bank and Religare Capital Markets International (Mauritius) Limited ("RCMIML"), which is inter alia secured by security provided by Promoters and Religare Capital Markets Limited. REL has neither provided any security / guarantee in relation to the facility nor has any obligation to repay the dues of RCMIML. REL has been made a party to the proceedings based on a Non-Disposal Undertaking ("NDU"). The DRT has passed an order dated March 21, 2018 directing *Inter-alia* that REL shall not alienate or create any encumbrance in respect of certain assets and its shareholding in any company or business concerns to the extent of claimed amount and enter into any settlement with





any creditors without the prior approval of DRT. REL has filed 2 applications on May 8, 2018 for deletion of REL as a party and vacation of the stay order dated March 21, 2018 against REL. Axis Bank has filed the reply on December 18, 2018. DRT dismissed both the applications. Next date of hearing in this matter before the DRT is May 28, 2019. REL has filed an appeal before the DRAT against the order dated December 18, 2018 which is listed on August 13, 2019.

- (III) In the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016), the interim application having I.A. No. 16727/2018 has been filed by REL disputing its liability as a garnishee came up for hearing on December 7, 2018. REL has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of Rs 4,190.28 lakhs) and disputed the liability stating the transaction to be an illegal one. The Hon'ble High Court of Delhi directed REL to file an affidavit disclosing the names of persons who were on its Board of Directors and were managing its affairs when the alleged sham transaction was executed. It also remarked that it expected REL to file a complaint with the concerned Police Station. Accordingly, in compliance thereof, REL has filed an affidavit disclosing names of persons who were on Board of Directors at relevant times and has also filed a criminal complaint on March 22, 2019 with the Economic Offences Wing, Delhi Police against Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Mr. Sunil Godhwani, RHC Holding Private Limited, Oscar Investments Limited, RHC Finance Private Limited and their other associates for various offences under the Indian Penal Code, 1860 including the offences of cheating, criminal breach of trust, criminal misappropriation, forgery, forgery for the purposes of cheating and criminal conspiracy w.r.t transactions relating to issuance and redemption of Preference Shares (Refer Note 22.6).
- (IV) The Company had entered into a Share Purchase Agreement dated April 9, 2017 with a buyer consortium to sell its stake in Religare Health Insurance Company Limited ("RHICL"), a subsidiary of the Company, to the buyer consortium. Metaffinity Private Limited and Sarvapriya Healthcare Solutions Private Limited (certain purchasers in the buyer consortium) had filed a petition before the Hon'ble Delhi High Court under section 9 of the Arbitration and Conciliation Act, 1996 for interim directions against REL, RHICL and another party seeking certain specific reliefs against REL, RHICL and another party. On May 28, 2018, the Hon'ble High Court dismissed the petition filed by Metaffinity and stated that the relief prayed in the petition cannot be granted. The buyer consortium has invoked arbitration in terms of the Share Purchase Agreement. Both the Claimants (i.e. buyer consortium parties) and the Respondents (i.e. REL and RHICL) have nominated their respective arbitrators. Hon'ble Delhi High Court vide order dated May 28, 2019 dismissed the said petition. The petitioner have not filed any appeal to the orders.
- (V) Subsequent to the year ended March 31, 2018, the Company has given letter of comfort to the Religare Comtrade Limited ("RCTL"), a wholly owned sub-subsidiary of the Company, for the payment of liabilities outstanding as on March 31, 2018 and also for exploring new business opportunities. Hence, RCTL's financial statements are prepared as for a going concern.
- (VI) Hon'ble Supreme Court has pronounced a judgement in February, 2019 issuing clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Hon'ble Supreme Court seeking additional clarifications which are awaited. In light of the above, the Group has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing financial statements as and when clarification is received.
- (VII) (A) During the year ended March 31, 2016, there were certain assignment of loans by the Religare Finvest Limited ("RFL"), a subsidiary of the Company, to Strategic Credit Capital Private Limited ("SCCPL") and during the year ended March 31, 2017, the amounts recoverable from SCCPL and Perpetual Credit Services Private Limited ("Perpetual") aggregating to Rs 79,367.20 lakhs were written off by RFL and various legal proceedings were initiated by the parties against each other. During the year ended March 31, 2018 RFL entered into a settlement agreement with the counterparties pursuant to which the various cases against each other at various courts and tribunals were withdrawn on consent terms, however RFL retained its right to recover the amounts due from SCCPL and Perpetual. Despite the settlement agreement SCCPL has filed suits against RFL at various forums.  
  
SCCPL and its associate companies have filed a suit before the Hon'ble District Court Saket seeking various reliefs including specific performance of part of the Settlement Agreement entered into between RFL and the Petitioners in July, 2017, and also seeking discharge of their obligations under the Settlement Agreement. The petitioners are seeking discharge of their obligations under the Agreement. RFL has filed applications seeking following:
  - a. Rejection of plaint.
  - b. Extension of time for filing written statement.
  - c. For examination of documents and seeking responses to questions.
- (B) SCCPL and Participation Finance & Holdings (India) Private Limited ("PFH") have filed a commercial civil suit before Hon'ble Delhi High Court against Lakshmi Vilas Bank ("LVB"), wherein they have arrayed RFL and other entities as party. SCCPL and PFH are seeking various reliefs in the petition against LVB and amongst other relief, a direction



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

against RFL's fixed deposits placed with LVB. RFL has filed its written statement in the matter. No orders have been passed in this matter with regard to the fixed deposits. An interim order dated February 22, 2018 passed to maintain status quo regarding the trademark as described in the Schedule of the Deed of Assignment. RFL has filed application for rejection of plaint under order-VII Rule-11 and application under section 340 of Code of Criminal Procedure ("CrPC") against SCCPL for filing fabricated indemnification cum release agreement. M/s Loancore Servicing Solutions Private Limited has filed an application seeking substitution in place of Plaintiffs. Next date of hearing is July 16, 2019 for addressing arguments on all pending applications.

(VIII) (A) Reserve Bank of India ("RBI") vide its letter dated January 18, 2018 has advised RFL to adhere to Corrective Action Plan ("CAP") given by it. The said CAP, inter alia, prohibits RFL from expansion of credit / investment portfolio other investment in Government securities and advises RFL not to pay dividend. In this regard, the RFL is taking the necessary corrective measures as advised by RBI and will seek removal of CAP in the due course.

(B) SEBI has passed an ad-interim ex-parte order on October 17, 2018 ("Order") in relation to Fortis Healthcare Limited ("FHL") which inter alia includes directions to RFL and other entities covered in the order to repay Rs 40,300 Lakhs to FHL and not to dispose of or alienate any of the assets or divert any funds except for payment of Rs 40,300 Lakhs and for meeting business operations without the prior permission of SEBI. RFL has represented to SEBI and denied all the preliminary findings recorded against RFL and further requested SEBI to vacate the directions in the said order till conclusion of the investigation.

Furtherance to above, SEBI issued a confirmatory order dated March 19, 2019. The said order inter alia continued the debilitating restraints against RFL which were originally contained in the Ex-parte Order dated October 17, 2018. However, RFL has been allowed to function in compliance with the terms of the CAP as stipulated by the Reserve Bank of India ("RBI"). RFL has further represented to SEBI and denied findings recorded against RFL and requested SEBI to vacate the directions in the said order qua RFL. Additionally, RFL has filed an appeal to Securities Appellate Tribunal ("SAT") on April 23, 2019 against the said order seeking relief from SAT in the matter. The appeal is in the process of being listed in due course.

(C) SEBI has passed an ad-interim ex-parte order dated March 14, 2019 ("REL Order") in relation of Religare Enterprise Limited ("REL") which inter alia includes initiation of steps to recall loans amounting to Rs 231,509 Lakhs extended directly or indirectly from RFL. The noticee entities have also been directed not to dispose of or alienate any of the assets or divert any funds except for meeting business operations without the prior permission of SEBI. Further, SEBI also directed the erstwhile promoters of REL (viz., Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh) to not to associate themselves with the affairs of REL and RFL, in any manner whatsoever, till further directions. RFL has submitted a preliminary reply dated April 3, 2019 inter alia requesting SEBI for a personal hearing on the matter. RFL further, wrote another reminder letter dated April 17, 2019 seeking personal hearing in continuation of the earlier letter dated April 3, 2019. RFL was granted personal hearing on May 15, 2019 which was attended to and the matter is still under investigation with SEBI.

(IX) During the year ended March 31, 2019, the Company received notice under Form 3 of the IBC Code, 2016 to the tune of Rs 125 Crores (approx.). The said notice refer to the agreement allegedly executed / signed by ex-chairman of the Company with M/s Loancore Servicing Solutions Private Limited. However, the Company has no such agreement in its records and neither it has been found in any of the minutes of Board meeting sanctioning the execution of said agreement. The Maintainability of the agreement is questionable as per the Company.

### (b) Commitments

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| (a) Estimated amount of contracts remaining to be executed and not provided for* | 398.89                  | 121.60                  | 359.35                 |
| (b) Other commitments  |                         |                         |                        |
| - Undisbursed Sanctioned Loans   | 319.58                  | 582.58                  | 3,423.28               |
| - Contribution in Funds / Others   | -                       | -                       | 5,022.35               |
| (c) Uncalled Liability on Shares^  | 4,077.50                | 4,077.50                | 4,077.50               |
| <b>Total</b>   | <b>4,795.97</b>         | <b>4,781.68</b>         | <b>12,882.48</b>       |

\* Net of Advances, if any.

^ Unpaid capital call on equity shares of Religare Capital Markets Limited.





(Amount in ₹ lakhs, unless otherwise stated)

## 48. Financial Instruments

## (a) Financial Instruments by Category

| Particulars  | As at March 31, 2019 |                  |                   |  | As at March 31, 2018 |                  |                     |  | As at April 1, 2017 |                  |                     |  |
|--|----------------------|------------------|-------------------|--|----------------------|------------------|---------------------|--|---------------------|------------------|---------------------|--|
|  | FVTPL                | FVTOCI           | Amortised Cost    |  | FVTPL                | FVTOCI           | Amortised Cost      |  | FVTPL               | FVTOCI           | Amortised Cost      |  |
| <b>Financial Assets</b>  |                      |                  |                   |  |                      |                  |                     |  |                     |                  |                     |  |
| Cash and Cash Equivalents                                      | -                    | -                | 17,303.43         |  | -                    | -                | 50,768.06           |  | -                   | -                | 154,594.67          |  |
| Bank Balance Other Than Above                                  | -                    | -                | 112,002.81        |  | -                    | -                | 123,701.44          |  | -                   | -                | 47,541.13           |  |
| Receivables  |                      |                  |                   |  |                      |                  |                     |  |                     |                  |                     |  |
| - Trade Receivables  | -                    | -                | 34,630.13         |  | -                    | -                | 30,751.97           |  | -                   | -                | 63,131.61           |  |
| Loans  | -                    | -                | 505,559.77        |  | -                    | -                | 913,290.28          |  | -                   | -                | 1,491,054.04        |  |
| Investments  |                      |                  |                   |  |                      |                  |                     |  |                     |                  |                     |  |
| - Mutual Funds   | 4,099.95             | -                | -                 |  | 16,081.61            | -                | -                   |  | 41,405.52           | -                | -                   |  |
| - Alternative Investment Funds ("AIF") / Venture Capital Funds | 2,107.55             | -                | -                 |  | 3,168.16             | -                | -                   |  | 8,601.65            | -                | -                   |  |
| - Pass Through Certificates                                    | -                    | -                | -                 |  | 442.47               | -                | -                   |  | 1,336.02            | -                | -                   |  |
| - Government Securities  | -                    | -                | 43,239.95         |  | -                    | -                | 29,485.20           |  | -                   | -                | 19,570.22           |  |
| - Debt Securities  | -                    | -                | 10,008.11         |  | -                    | -                | 14,516.43           |  | -                   | -                | 35,419.75           |  |
| - Equity Instruments (Fully Paid-up)                           | -                    | 887.81           | -                 |  | 1,680.70             | 783.75           | -                   |  | 1,316.00            | 500.00           | -                   |  |
| - Joint Ventures - Using Equity Method                         | -                    | -                | 35.52             |  | -                    | -                | 44.47               |  | -                   | -                | 67.45               |  |
| - Other Approved (by IRDA) Securities                          | -                    | 81,459.04        | -                 |  | -                    | 53,513.94        | -                   |  | -                   | 29,065.46        | -                   |  |
| - Others ('RARC 059 (RHDFC HL) TRUST)                          | 1,936.81             | -                | -                 |  | -                    | -                | -                   |  | -                   | -                | -                   |  |
| - Others   | -                    | -                | 0.36              |  | -                    | -                | 0.36                |  | -                   | -                | 0.36                |  |
| Other Financial Assets   | -                    | -                | 20,045.00         |  | -                    | -                | 18,167.91           |  | -                   | -                | 27,621.02           |  |
| <b>Total Financial Assets</b>                                  | <b>8,144.31</b>      | <b>82,346.85</b> | <b>742,825.08</b> |  | <b>21,372.94</b>     | <b>54,297.69</b> | <b>1,180,726.12</b> |  | <b>52,659.19</b>    | <b>29,565.46</b> | <b>1,839,000.25</b> |  |
| <b>Financial Liabilities</b>                                   |                      |                  |                   |  |                      |                  |                     |  |                     |                  |                     |  |
| Payables   |                      |                  |                   |  |                      |                  |                     |  |                     |                  |                     |  |
| - Trade Payables   | -                    | -                | 26,379.39         |  | -                    | -                | 23,865.74           |  | -                   | -                | 32,097.11           |  |
| - Other Payables   | -                    | -                | 14,053.94         |  | -                    | -                | 14,065.34           |  | -                   | -                | 8,232.11            |  |
| Debt Securities  | -                    | -                | -                 |  | -                    | -                | 44,535.37           |  | -                   | -                | 178,870.67          |  |
| Borrowings (Other than Debt Securities)                        | -                    | -                | 615,337.75        |  | -                    | -                | 893,251.28          |  | -                   | -                | 1,241,061.16        |  |
| Subordinated Liabilities                                       | -                    | -                | 56,794.41         |  | -                    | -                | 56,700.47           |  | -                   | -                | 78,386.53           |  |
| Other Financial Liabilities                                    | -                    | -                | 58,702.68         |  | -                    | -                | 62,196.52           |  | -                   | -                | 87,489.26           |  |
| <b>Total Financial Liabilities</b>                             | <b>-</b>             | <b>-</b>         | <b>771,268.17</b> |  | <b>-</b>             | <b>-</b>         | <b>1,094,614.72</b> |  | <b>-</b>            | <b>-</b>         | <b>1,626,136.84</b> |  |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

### (b) Fair Valuation Measurement Hierarchy

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value. The different levels have been defined as follows:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and the mutual fund units valued using the closing Net Asset Value ("NAV").

Level 2: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices).

Level 3: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values 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 following table presents fair value of hierarchy of assets and liabilities measured at fair value on a recurring basis:

(Amount in ₹ lakhs, unless otherwise stated)

| Financial assets and liabilities measured at fair value        | As at March 31, 2019 |                  |                 |                  |
|--|----------------------|------------------|-----------------|------------------|
|  | Level 1              | Level 2          | Level 3         | Total            |
| <b>Financial Assets</b>  |                      |                  |                 |                  |
| Investments at FVTPL   |                      |                  |                 |                  |
| - Mutual Funds   | 4,099.95             | -                | -               | 4,099.95         |
| - Alternative Investment Funds ("AIF") / Venture Capital Funds | -                    | -                | 2,107.55        | 2,107.55         |
| - Pass Through Certificates                                    | -                    | -                | -               | -                |
| - Equity Instruments (Fully Paid-up)                           | -                    | -                | -               | -                |
| - Others ('RARC 059 (RHDFC HL) TRUST)                          | -                    | 1,936.81         | -               | 1,936.81         |
| Investments at FVTOCI  |                      |                  |                 |                  |
| - Equity Instruments (Fully Paid-up)                           | 186.81               | -                | 701.00          | 887.81           |
| - Other Approved (by IRDA) Securities                          | -                    | 81,459.04        | -               | 81,459.04        |
| <b>Total Financial Assets</b>                                  | <b>4,286.76</b>      | <b>83,395.85</b> | <b>2,808.55</b> | <b>90,491.16</b> |
| <b>Financial Liabilities</b>                                   | -                    | -                | -               | -                |
| <b>Total Financial Liabilities</b>                             | -                    | -                | -               | -                |

| Financial assets and liabilities measured at fair value        | As at March 31, 2018 |                  |                 |                  |
|--|----------------------|------------------|-----------------|------------------|
|  | Level 1              | Level 2          | Level 3         | Total            |
| <b>Financial Assets</b>  |                      |                  |                 |                  |
| Investments at FVTPL   |                      |                  |                 |                  |
| - Mutual Funds   | 16,081.61            | -                | -               | 16,081.61        |
| - Alternative Investment Funds ("AIF") / Venture Capital Funds | -                    | -                | 3,168.15        | 3,168.15         |
| - Pass Through Certificates                                    | -                    | -                | 442.47          | 442.47           |
| - Equity Instruments (Fully Paid-up)                           | -                    | 1,680.70         | -               | 1,680.70         |
| - Others ('RARC 059 (RHDFC HL) TRUST)                          | -                    | -                | -               | -                |
| Investments at FVTOCI  |                      |                  |                 |                  |
| - Equity Instruments (Fully Paid-up)                           | 283.75               | -                | 500.00          | 783.75           |
| - Other Approved (by IRDA) Securities                          | -                    | 53,513.94        | -               | 53,513.94        |
| <b>Total Financial Assets</b>                                  | <b>16,365.36</b>     | <b>55,194.64</b> | <b>4,110.62</b> | <b>75,670.62</b> |
| <b>Financial Liabilities</b>                                   | -                    | -                | -               | -                |
| <b>Total Financial Liabilities</b>                             | -                    | -                | -               | -                |



(Amount in ₹ lakhs, unless otherwise stated)

| Financial assets and liabilities measured at fair value        | As at April 1, 2017 |                  |                  |                  |
|--|---------------------|------------------|------------------|------------------|
|  | Level 1             | Level 2          | Level 3          | Total            |
| <b>Financial Assets</b>  |                     |                  |                  |                  |
| Investments at FVTPL   |                     |                  |                  |                  |
| - Mutual Funds   | 41,405.52           | -                | -                | 41,405.52        |
| - Alternative Investment Funds ("AIF") / Venture Capital Funds | -                   | -                | 8,601.65         | 8,601.65         |
| - Pass Through Certificates                                    | -                   | -                | 1,336.02         | 1,336.02         |
| - Equity Instruments (Fully Paid-up)                           | -                   | 1,316.00         | -                | 1,316.00         |
| - Others ('RARC 059 (RHDFC HL) TRUST)                          | -                   | -                | -                | -                |
| Investments at FVTOCI  |                     |                  |                  |                  |
| - Equity Instruments (Fully Paid-up)                           | -                   | -                | 500.00           | 500.00           |
| - Other Approved (by IRDA) Securities                          | -                   | 29,065.46        | -                | 29,065.46        |
| <b>Total Financial Assets</b>                                  | <b>41,405.52</b>    | <b>30,381.46</b> | <b>10,437.67</b> | <b>82,224.65</b> |
| <b>Financial Liabilities</b>                                   | -                   | -                | -                | -                |
| <b>Total Financial Liabilities</b>                             | -                   | -                | -                | -                |

There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2019 and 2018.

(c) **Movements in Level-3 Financial Instruments Measured at Fair Value**

The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

| Particulars  | Total              |             | Alternative Investment Funds |             | Pass Through Certificates |             | Equity Instruments |             |
|--|--------------------|-------------|------------------------------|-------------|---------------------------|-------------|--------------------|-------------|
|  | March, 2019        | March, 2018 | March, 2019                  | March, 2018 | March, 2019               | March, 2018 | March, 2019        | March, 2018 |
| <b>Opening Balance</b>   | <b>3,610.62</b>    | 9,937.67    | <b>3,168.15</b>              | 8,601.65    | <b>442.47</b>             | 1,336.02    | -                  | -           |
| Purchases  | <b>13,825.00</b>   | 39,559.83   | <b>13,825.00</b>             | 39,559.83   | -                         | -           | -                  | -           |
| Sales  | <b>(15,607.34)</b> | (45,897.49) | <b>(15,164.87)</b>           | (45,003.94) | <b>(442.47)</b>           | (893.55)    | -                  | -           |
| Issuances  | -                  | -           | -                            | -           | -                         | -           | -                  | -           |
| Settlements  | -                  | -           | -                            | -           | -                         | -           | -                  | -           |
| Transfer in to Level-3   | -                  | -           | -                            | -           | -                         | -           | -                  | -           |
| Transfer from Level-3  | -                  | -           | -                            | -           | -                         | -           | -                  | -           |
| Net Interest Income, Net Trading Income and Other Income                             | <b>288.42</b>      | 1,938.47    | <b>178.05</b>                | 1,021.42    | <b>110.37</b>             | 917.05      | -                  | -           |
| Other Comprehensive Income   | <b>201.00</b>      | -           | -                            | -           | -                         | -           | <b>201.00</b>      | -           |
| <b>Closing Balance</b>   | <b>2,308.55</b>    | 3,610.62    | <b>2,107.55</b>              | 3,168.15    | -                         | 442.47      | <b>201.00</b>      | -           |
| <b>Unrealised Gains and (Losses) Related to Balances Held at the End of the Year</b> | <b>(279.27)</b>    | (10.61)     | <b>(279.27)</b>              | (10.61)     | -                         | -           | -                  | -           |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### (d) Valuation Techniques

#### Debt Securities

The Group uses active market prices when available, or other observable inputs to estimate the corresponding fair value. Units held in funds are measured based on their published net asset value ("NAV"), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Municipal bonds and bonds issued by financial institutions are generally Level 1 and corporate bonds are generally Level 2.

#### Equity Instruments

Equity instruments actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Equity instruments in non-listed entities included investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

#### Non Current Assets and Liabilities Held for Sale

The Group's non-current assets and liabilities held for sale are measured at fair value on non-recurring basis, with the exception of the certain financial instruments that have already been measured at fair value on a recurring basis. In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. As a result of this practice, the residential properties under legal repossession process are not recorded on the balance sheet and treated as non-current assets/liabilities held for sale.

- (e) The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis but measured at amortised cost.

| Financial Assets and Liabilities Measured at Amortised Cost | As at March 31, 2019 |            |          |                   |                   |
|---|----------------------|------------|----------|-------------------|-------------------|
|   | Carrying Amount      | Fair Value |          |                   |                   |
|   |                      | Level 1    | Level 2  | Level 3           | Total             |
| <b>Financial Assets</b>                                     |                      |            |          |                   |                   |
| Cash and Cash Equivalents                                   | 17,303.43            | -          | -        | 17,303.43         | 17,303.43         |
| Bank Balance Other Than Above                               | 112,002.81           | -          | -        | 112,002.81        | 112,002.81        |
| Receivables   |                      |            |          |                   |                   |
| - Trade Receivables   | 34,630.13            | -          | -        | 34,630.13         | 34,630.13         |
| Loans   | 505,559.77           | -          | -        | 505,559.77        | 505,559.77        |
| Investments   | 53,283.94            | -          | -        | 53,283.94         | 53,283.94         |
| Other Financial Assets                                      | 20,045.00            | -          | -        | 20,045.00         | 20,045.00         |
| <b>Total</b>  | <b>742,825.08</b>    | <b>-</b>   | <b>-</b> | <b>742,825.08</b> | <b>742,825.08</b> |
| <b>Financial Liabilities</b>                                |                      |            |          |                   |                   |
| Payables  |                      |            |          |                   |                   |
| - Trade Payables  | 26,379.39            | -          | -        | 26,379.39         | 26,379.39         |
| - Other Payables  | 14,053.94            | -          | -        | 14,053.94         | 14,053.94         |
| Debt Securities   | -                    | -          | -        | -                 | -                 |
| Borrowings (Other than Debt Securities)                     | 615,337.75           | -          | -        | 615,337.75        | 615,337.75        |
| Subordinated Liabilities                                    | 56,794.41            | -          | -        | 56,794.41         | 56,794.41         |
| Other Financial Liabilities                                 | 58,702.68            | -          | -        | 58,702.68         | 58,702.68         |
| <b>Total</b>  | <b>771,268.17</b>    | <b>-</b>   | <b>-</b> | <b>771,268.17</b> | <b>771,268.17</b> |



(Amount in ₹ lakhs, unless otherwise stated)

| Financial assets and liabilities measured at amortised cost | As at March 31, 2018 |            |          |                     |                     |
|---|----------------------|------------|----------|---------------------|---------------------|
|   | Carrying Amount      | Fair Value |          |                     |                     |
|   |                      | Level 1    | Level 2  | Level 3             | Total               |
| <b>Financial Assets</b>                                     |                      |            |          |                     |                     |
| Cash and Cash Equivalents                                   | 50,768.06            | -          | -        | 50,768.06           | 50,768.06           |
| Bank Balance Other Than Above                               | 123,701.44           | -          | -        | 123,701.44          | 123,701.44          |
| Receivables   |                      |            |          |                     |                     |
| - Trade Receivables   | 30,751.97            | -          | -        | 30,751.97           | 30,751.97           |
| Loans   | 913,290.28           | -          | -        | 913,290.28          | 913,290.28          |
| Investments   | 44,046.46            | -          | -        | 44,046.46           | 44,046.46           |
| Other Financial Assets                                      | 18,167.91            | -          | -        | 18,167.91           | 18,167.91           |
| <b>Total</b>  | <b>1,180,726.12</b>  | <b>-</b>   | <b>-</b> | <b>1,180,726.12</b> | <b>1,180,726.12</b> |
| <b>Financial Liabilities</b>                                |                      |            |          |                     |                     |
| Payables  |                      |            |          |                     |                     |
| - Trade Payables  | 23,865.74            | -          | -        | 23,865.74           | 23,865.74           |
| - Other Payables  | 14,065.34            | -          | -        | 14,065.34           | 14,065.34           |
| Debt Securities   | 44,535.37            | -          | -        | 44,535.37           | 44,535.37           |
| Borrowings (Other than Debt Securities)                     | 893,251.28           | -          | -        | 893,251.28          | 893,251.28          |
| Subordinated Liabilities                                    | 56,700.47            | -          | -        | 56,700.47           | 56,700.47           |
| Other Financial Liabilities                                 | 62,196.52            | -          | -        | 62,196.52           | 62,196.52           |
| <b>Total</b>  | <b>1,094,614.72</b>  | <b>-</b>   | <b>-</b> | <b>1,094,614.72</b> | <b>1,094,614.72</b> |

| Financial assets and liabilities measured at amortised cost | As at April 1, 2017 |            |          |                     |                     |
|---|---------------------|------------|----------|---------------------|---------------------|
|   | Carrying Amount     | Fair Value |          |                     |                     |
|   |                     | Level 1    | Level 2  | Level 3             | Total               |
| <b>Financial Assets</b>                                     |                     |            |          |                     |                     |
| Cash and Cash Equivalents                                   | 154,594.67          | -          | -        | 154,594.67          | 154,594.67          |
| Bank Balance Other Than Above                               | 47,541.13           | -          | -        | 47,541.13           | 47,541.13           |
| Receivables   |                     |            |          |                     |                     |
| - Trade Receivables   | 63,131.61           | -          | -        | 63,131.61           | 63,131.61           |
| Loans   | 1,491,054.04        | -          | -        | 1,491,054.04        | 1,491,054.04        |
| Investments   | 55,057.78           | -          | -        | 55,057.78           | 55,057.78           |
| Other Financial Assets                                      | 27,621.02           | -          | -        | 27,621.02           | 27,621.02           |
| <b>Total</b>  | <b>1,839,000.25</b> | <b>-</b>   | <b>-</b> | <b>1,839,000.25</b> | <b>1,839,000.25</b> |
| <b>Financial Liabilities</b>                                |                     |            |          |                     |                     |
| Payables  |                     |            |          |                     |                     |
| - Trade Payables  | 32,097.11           | -          | -        | 32,097.11           | 32,097.11           |
| - Other Payables  | 8,232.11            | -          | -        | 8,232.11            | 8,232.11            |
| Debt Securities   | 178,870.67          | -          | -        | 178,870.67          | 178,870.67          |
| Borrowings (Other than Debt Securities)                     | 1,241,061.16        | -          | -        | 1,241,061.16        | 1,241,061.16        |
| Subordinated Liabilities                                    | 78,386.53           | -          | -        | 78,386.53           | 78,386.53           |
| Other Financial Liabilities                                 | 87,489.26           | -          | -        | 87,489.26           | 87,489.26           |
| <b>Total</b>  | <b>1,626,136.84</b> | <b>-</b>   | <b>-</b> | <b>1,626,136.84</b> | <b>1,626,136.84</b> |

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

#### (f) Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques explained in Point (c) above.

#### Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, trade payables and other liabilities. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

#### (g) Transfer of Financial Assets

##### Transferred financial assets that are derecognised in their entirety

- (i) Religare Housing Development Finance Corporation Limited ("RHDFCL"), a subsidiary of the Company has transferred financial assets of Rs 423.2 lakhs (comprising Home Loans and Loans Against Properties) to JM Financials Home Loan Limited ("JMFHLL") under an assignment transaction where the JMFHLL will be entitled to receive: (i) 90% of the principal collections from the Identified pool of loans; and (ii) interest calculated on the principal entitlement of the JMFHLL based on the agreed yield of 12% payable out of the interest collections (including any other charges) from the Identified pool of loans. RHDFCL will be entitled to receive: (i) 10% of the principal collections from the Identified pool of loans; and (ii) balance interest collections over and above 12% (known as excess interest spread) (including any other charges) from the Identified pool of loans. RHICL's interest in the pool of loans have recognised in the books.
- (ii) During the year, the RHDFCL has entered into a transaction with RARC 059 (RHDFC HL) Trust (special purpose vehicle) ("Trust") wherein it has sold Gross Non Performing Assets ("GNPA") of Rs 3,038.13 lakhs for a value of Rs 2,278.60 lakhs. The transaction has been carried out in compliance with the applicable Reserve Bank of India ("RBI") norms for securitization and the Trust has issued Security Receipts ("SR") in the ratio of 85:15 i.e. of Rs 1,936.81 lakhs to the RHDFCL and Rs 341.79 lakhs to Reliance ARC Limited. The transaction is concluded within the RBI purview and RHDFCL has obtained true sale opinion for concluding the transaction.

Accordingly, RHDFCL has derecognized the NPA loan receivables and has recognized security receipts as investments in the books of accounts. RHDFCL shall recognize profit / loss on the SR based on the evaluation by independent rating agency as stipulated under RBI Regulations.

Under Ind AS, the SR issued by the Trust would fulfil the criteria of a financial asset and has been recognized accordingly in the books.

#### 49. Information about business and geographical segments:

- (i) The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.
- (ii) The Group's primary business comprises of 'Broking in securities and commodities', 'Interest on Loans', Financial Advisory Services', 'E-Governance' and Health Insurance. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.
- (iii) As per Indian Accounting Standard 108 - Operating Segments, the Group has reported segment information on consolidated basis including businesses conducted through its subsidiaries.
- (iv) Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.
- (v) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses incurred on behalf of other segments and not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.





- (vi) Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. Common assets have been allocated to each segment on the basis of associated revenues of each segment. Common liabilities have been allocated to each segment on the basis of total segment expense. All other assets and liabilities are disclosed as unallocable.

If the segment result of a segment includes interest or dividend income, its segment assets include the related receivables, loans, investments, or other interest or dividend generating assets.

If the segment result of a segment includes interest expense, its segment liabilities include the related interest-bearing liabilities.

- (vii) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Group companies. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses/income". Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- (viii) Inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.
- (ix) As part of secondary reporting, revenues are attributed to Geographic areas based on the location of the subsidiary companies.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(a) Primary Segment Information for the year ended March 31, 2019 is as under:

### INFORMATION ABOUT PRIMARY BUSINESS SEGMENT

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | Investment and Financing Activities | Broking Related Activities | Financial Advisory Services | E-Governance | Insurance  | Unallocated | Total        |
|---|-------------------------------------|----------------------------|-----------------------------|--------------|------------|-------------|--------------|
| (i) Segment Revenue   |                                     |                            |                             |              |            |             |              |
| External Revenue  | 91,786.56                           | 23,288.20                  | 116.03                      | 2,399.59     | 122,246.97 | 725.62      | 240,562.97   |
|   | 158,336.15                          | 32,083.97                  | 673.57                      | 3,189.59     | 78,120.91  | 1,609.34    | 274,013.53   |
| Inter -Segmental Revenue  | (76.63)                             | (310.42)                   | -                           | -            | (110.81)   | (26.67)     | (524.53)     |
|   | (39.20)                             | (162.28)                   | -                           | -            | (125.51)   | (175.32)    | (502.31)     |
| Add: Interest/Dividend Income   |                                     |                            |                             |              |            |             | 133.37       |
|   |                                     |                            |                             |              |            |             | 30.55        |
| Total Revenue   | 91,709.93                           | 22,977.78                  | 116.03                      | 2,399.59     | 122,136.16 | 698.95      | 240,171.81   |
|   | 158,296.95                          | 31,921.69                  | 673.57                      | 3,189.59     | 77,995.40  | 1,434.02    | 273,541.77   |
| (ii) Segment Results  | (151,088.78)                        | (2,256.43)                 | (8.37)                      | 658.43       | 5,682.27   | (3,431.87)  | (150,444.75) |
|   | (141,114.98)                        | 63.41                      | 28.33                       | 883.63       | (1,135.25) | 541.27      | (140,733.59) |
| Less: Interest expense  |                                     |                            |                             |              |            |             | 32.88        |
|   |                                     |                            |                             |              |            |             | 16.86        |
| Income Taxes (Current and Deferred)   |                                     |                            |                             |              |            |             | (258.16)     |
|   |                                     |                            |                             |              |            |             | (22,691.81)  |
| Share in Profit / (Loss) of Joint Ventures / Associates (using Equity Method) |                                     |                            |                             |              |            |             | (8.96)       |
|   |                                     |                            |                             |              |            |             | (22.98)      |
| Profit / (Loss) For The Year  |                                     |                            |                             |              |            |             | (150,095.06) |
|   |                                     |                            |                             |              |            |             | (118,051.07) |
| Other Comprehensive Income  |                                     |                            |                             |              |            |             | 395.34       |
|   |                                     |                            |                             |              |            |             | (409.82)     |
| Total Comprehensive Income For The Year                                       |                                     |                            |                             |              |            |             | (149,699.72) |
|   |                                     |                            |                             |              |            |             | (118,460.89) |
| Total Comprehensive Income For The Year attributable to:                      |                                     |                            |                             |              |            |             |              |
| a) Owners of the Company  |                                     |                            |                             |              |            |             | (128,351.86) |
|   |                                     |                            |                             |              |            |             | (104,864.78) |



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Investment and Financing Activities | Broking Related Activities | Financial Advisory Services | E-Governance | Insurance  | Unallocated | Total        |
|--|-------------------------------------|----------------------------|-----------------------------|--------------|------------|-------------|--------------|
| b) Non Controlling Interest                        |                                     |                            |                             |              |            |             | (21,347.86)  |
|  |                                     |                            |                             |              |            |             | (13,596.11)  |
|  |                                     |                            |                             |              |            |             |              |
| (iii) Segment Assets                               | 635,045.01                          | 69,846.08                  | 182.36                      | 1,534.82     | 156,916.70 | -           | 863,524.97   |
|  | 1,113,841.61                        | 85,779.44                  | 198.37                      | 1,509.56     | 109,923.95 | -           | 1,311,252.93 |
| Unallocated Corporate Assets                       |                                     |                            |                             |              |            | 94,277.13   | 94,277.13    |
|  |                                     |                            |                             |              |            | 74,988.92   | 74,988.92    |
| Total Assets                                       | 635,045.01                          | 69,846.08                  | 182.36                      | 1,534.82     | 156,916.70 | 94,277.13   | 957,802.10   |
|  | 1,113,841.61                        | 85,779.44                  | 198.37                      | 1,509.56     | 109,923.95 | 74,988.92   | 1,386,241.85 |
|  |                                     |                            |                             |              |            |             |              |
| (iv) Segment liabilities                           | 693,471.72                          | 60,080.67                  | 89.27                       | 1,527.66     | 116,800.27 | -           | 871,969.59   |
|  | 1,043,380.86                        | 71,062.56                  | 258.72                      | 1,497.23     | 84,749.30  | -           | 1,200,948.67 |
| Unallocated Corporate Liabilities                  |                                     |                            |                             |              |            | 2,527.56    | 2,527.56     |
|  |                                     |                            |                             |              |            | 1,639.99    | 1,639.99     |
| Total liabilities                                  | 693,471.72                          | 60,080.67                  | 89.27                       | 1,527.66     | 116,800.27 | 2,527.56    | 874,497.15   |
|  | 1,043,380.86                        | 71,062.56                  | 258.72                      | 1,497.23     | 84,749.30  | 1,639.99    | 1,202,588.66 |
|  |                                     |                            |                             |              |            |             |              |
| (v) Capital Expenditure*                           | 400.01                              | 135.86                     | -                           | 1.24         | -          | 7.11        | 544.22       |
|  | 398.69                              | 547.33                     | -                           | 5.53         | 33.19      | 21.76       | 1,006.50     |
|  |                                     |                            |                             |              |            |             |              |
| (vi) Depreciation and Amortization                 | 389.49                              | 441.65                     | 7.82                        | 38.01        | 1,599.87   | 96.30       | 2,573.14     |
|  | 546.07                              | 637.57                     | 18.73                       | 50.27        | 1,506.59   | 246.64      | 3,005.87     |
|  |                                     |                            |                             |              |            |             |              |
| (vii) Non Cash Expenditure other than Depreciation | 140,234.58                          | 623.01                     | -                           | 0.07         | -          | 1,916.98    | 142,774.65   |
|  | 64,254.20                           | 391.51                     | -                           | 0.09         | -          | 472.02      | 65,117.82    |

Figures in italics represent Previous Year.

\* The amount of addition to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and right arising under insurance contracts.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

**(b) Geographical Segment - Secondary Segment Information for the year ended March 31, 2019 is as under:**

The Group reports its operations under the following geographical segments:

**Domestic Operations** comprise of activities having operations in India.

**Foreign Operations** comprise of activities outside India.

| Description                              | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| <b>Revenue</b>                           |                                      |                                      |
| Domestic operations                      | 240,010.38                           | 273,468.50                           |
| Foreign Operations                       | 161.43                               | 73.27                                |
| <b>Total</b>                             | <b>240,171.81</b>                    | <b>273,541.77</b>                    |
| <b>Carrying Amount of Segment Assets</b> |                                      |                                      |
| Domestic operations                      | 957,737.64                           | 1,386,163.42                         |
| Foreign Operations                       | 64.46                                | 78.43                                |
| <b>Total</b>                             | <b>957,802.10</b>                    | <b>1,386,241.85</b>                  |

**(c) Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

**50. Details of individually immaterial joint ventures and associates**

| Particulars  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Aggregate carrying amount of its interests in all individually immaterial joint ventures or associates | 35.52                                | 44.47                                |
| Aggregate amount of Group's share of:  |                                      |                                      |
| Profit or (loss) from continuing operations  | (8.96)                               | (22.98)                              |
| Post-tax profit or loss from discontinued operations   | -                                    | -                                    |
| Other comprehensive income   | -                                    | -                                    |
| <b>Total comprehensive income</b>  | <b>(8.96)</b>                        | <b>(22.98)</b>                       |

| Particulars                                  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Share of profit / (loss) from joint ventures | (8.96)                               | (22.98)                              |
| Share of profit / (loss) from associates     | -                                    | -                                    |
| <b>Total</b>                                 | <b>(8.96)</b>                        | <b>(22.98)</b>                       |

**51. Disclosure as per Accounting Standard 19 - Lease Accounting :**

**(A) Assets taken on Operating Lease**

- The Group companies have taken office premises and vehicles on operating lease at various locations and lease rentals in respect of the same have been charged under "Rent" in the Statement of Profit and Loss. The Agreements are executed for a period ranging between 1 to 9 years. The Group has sublet, some part of the rental premises.
- The future minimum lease rentals for non-cancellable leases outstanding are as under:

| Particulars                                  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Not later than 1 year                        | 753.31                               | 758.47                               |
| Later than 1 year and not later than 5 years | 647.63                               | 216.16                               |
| Later than 5 years                           | -                                    | -                                    |

- Rent payments are recognised in the Statement of Consolidated Profit and Loss under 'Rent' in Note 42, "Other Expenses".



(Amount in ₹ lakhs, unless otherwise stated)

**(B) Assets Taken on Financial Lease**

A few Group companies have taken vehicles on finance lease. These lease arrangements range for a period between 2 and 5 years and are cancellable.

(i) Details of assets taken under finance lease are as under:

| Particulars                            | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Total of future minimum lease payments | 58.60                                | 175.84                               |
| Present value of lease receipts        | 50.93                                | 147.32                               |
| <b>Un-matured finance charges</b>      | <b>7.67</b>                          | <b>28.52</b>                         |

(ii) Maturity Profile of future minimum lease payments:

| Particulars                                  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Not later than 1 year                        | 37.93                                | 86.38                                |
| Later than 1 year and not later than 5 years | 20.67                                | 89.46                                |
| Later than 5 years                           | -                                    | -                                    |
| <b>Total</b>                                 | <b>58.60</b>                         | <b>175.84</b>                        |

(iii) Maturity Profile of present value of lease payments:

| Particulars                                  | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Not later than 1 year                        | 32.19                                | 68.54                                |
| Later than 1 year and not later than 5 years | 18.74                                | 78.78                                |
| Later than 5 years                           | -                                    | -                                    |
| <b>Total</b>                                 | <b>50.93</b>                         | <b>147.32</b>                        |

**52. Share Based Payment****(A) Religare Health Insurance Company Limited ("RHICL")****Equity Settled Share Based Payment****Employee Stock Option Scheme 2010**

| Series     | Date of grant | Number Granted | Contractual Life | Vesting Conditions   | Exercise Price per option | Estimated fair value of share granted |
|------------|---------------|----------------|------------------|--|---------------------------|---------------------------------------|
| Series-I   | 29-Dec-10     | 1,856,250      | 4 years          | 20% on expiry of 12 months from grant date   | 10                        | 10                                    |
| Series-II  | 14-Mar-11     | 12,368,750     | 4 years          | 20% on expiry of 24 months from grant date   |                           |                                       |
| Series-III | 5-Aug-11      | 1,300,000      | 4 years          | 20% on expiry of 36 months from grant date<br>40% on expiry of 48 months from grant date |                           |                                       |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

### Employee Stock Option Scheme 2014

| Series           | Date of grant | Number Granted | Contractual Life | Vesting Conditions   | Exercise Price per option | Estimated fair value of share granted |
|------------------|---------------|----------------|------------------|--|---------------------------|---------------------------------------|
| Series-I         | 28-Jul-14     | 9,575,000      | 3 years          | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date | 10                        | 10                                    |
| Series-II        | 27-Apr-15     | 7,780,000      | 3 years          |  |                           |                                       |
| Series-III       | 4-Jul-15      | 1,983,500      | 3 years          |  |                           |                                       |
| Series-IV        | 30-Sep-15     | 3,111,500      | 3 years          |  |                           |                                       |
| Series-V         | 30-Nov-15     | 2,892,550      | 3 years          |  |                           |                                       |
| Series-VI        | 2-Feb-16      | 2,224,080      | 3 years          |  |                           |                                       |
| Series-VII       | 30-Mar-16     | 1,498,150      | 3 years          |  |                           |                                       |
| Series-VIII      | 30-Jun-16     | 1,843,200      | 3 years          |  |                           |                                       |
| Series-IX        | 3-Mar-17      | 633,600        | 3 years          |  |                           |                                       |
| Series-X         | 31-Mar-17     | 861,120        | 3 years          |  |                           |                                       |
| Series-XI        | 31-Jul-18     | 4,061,707      | 1 year           | 100% on expiry of 12 months from grant date  | 21.85<br>10<br>10         | 21.85<br>21.85<br>26.10               |
| Series-I - New   | 6-Nov-18      | 28,868,288     | 3 years          | 33% on expiry of 12 months from grant date   |                           |                                       |
| Series-II - New  | 6-Nov-18      | 17,361,155     | 3 years          | 33% on expiry of 24 months from grant date   |                           |                                       |
| Series-III - New | 7-Feb-19      | 243,160        | 3 years          | 34% on expiry of 36 months from grant date   |                           |                                       |

### CEO Scheme 2014

| Series  | Date of grant | Number Granted | Contractual Life | Vesting Conditions   | Exercise Price per option | Estimated fair value of share granted |
|---|---------------|----------------|------------------|--|---------------------------|---------------------------------------|
| Category-1<br>(in lieu of surrender of Options granted under 2010 Scheme) | 28-Jul-14     | 2,000,000      | 1 year           | 100% on expiry of 12 months from grant date  | 10                        | 10                                    |
| Category-1<br>(new Grant)   | 28-Jul-14     | 2,285,714      | 3 years          | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2  | 28-Jul-14     | 1,331,250      | 1 year           | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3  | 28-Jul-14     | 7,500,000      |                  | 31 Mar'16  |                           |                                       |
| Category-1<br>(new Grant)   | 27-Apr-15     | 1,714,286      |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |





| Series                 | Date of grant | Number Granted | Contractual Life | Vesting Conditions   | Exercise Price per option | Estimated fair value of share granted |
|------------------------|---------------|----------------|------------------|--|---------------------------|---------------------------------------|
| Category-2             | 27-Apr-15     | 668,750        |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 27-Apr-15     | 4,500,000      |                  | April 27, 2016   |                           |                                       |
| Category-1 (new Grant) | 4-Jul-15      | 428,571        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 4-Jul-15      | -              |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 4-Jul-15      | 857,143        |                  | July 4, 2016   |                           |                                       |
| Category-1 (new Grant) | 30-Sep-15     | 428,571        |                  | 33% on expiry of 12 months from grant date   |                           |                                       |
| Category-2             | 30-Sep-15     | -              |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 30-Sep-15     | 857,143        |                  | September 30, 2016   |                           |                                       |
| Category-1 (new Grant) | 30-Nov-15     | 428,571        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 30-Nov-15     | -              |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 30-Nov-15     | 857,143        |                  | November 30, 2016  |                           |                                       |
| Category-1 (new Grant) | 2-Feb-16      | 428,571        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 2-Feb-16      | -              |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 2-Feb-16      | 857,143        |                  | February 2, 2017   |                           |                                       |
| Category-1 (new Grant) | 30-Mar-16     | 428,571        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 30-Mar-16     | 714,285        |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 30-Mar-16     | 857,143        |                  | March 30, 2017   |                           |                                       |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Series                 | Date of grant | Number Granted | Contractual Life | Vesting Conditions   | Exercise Price per option | Estimated fair value of share granted |
|------------------------|---------------|----------------|------------------|--|---------------------------|---------------------------------------|
| Category-1 (new Grant) | 30-Jun-16     | 407,143        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 30-Jun-16     |                |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 30-Jun-16     | 814,286        |                  | June 30, 2017  |                           |                                       |
| Category-1 (new Grant) | 31-Mar-17     | 162,297        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 31-Mar-17     |                |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 31-Mar-17     | 324,593        |                  | March 30, 2018   |                           |                                       |
| Category-1 (new Grant) | 31-Mar-17     | 245,145        |                  | 33% on expiry of 12 months from grant date<br>33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date |                           |                                       |
| Category-2             | 31-Mar-17     | 271,529        |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 31-Mar-17     | 490,291        |                  | March 31, 2018   |                           |                                       |
| Category-1 (new Grant) | 31-Jul-18     | 471,130        |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-2             | 31-Jul-18     | 157,043        |                  | 100% on expiry of 12 months from grant date  |                           |                                       |
| Category-3             | 31-Jul-18     | 942,259        |                  | July 31, 2019  |                           |                                       |
| Series-I - New         | 6-Nov-18      | 13,224,900     | 3 years          | 33% on expiry of 12 months from grant date   | 21.85                     | 21.85                                 |
| Series-II - New        | 6-Nov-18      | 15,561,816     | 1 year           | 33% on expiry of 24 months from grant date   | 10                        | 21.85                                 |
| Series-III - New       | 7-Feb-19      | 224,463        |                  | 33% on expiry of 24 months from grant date<br>34% on expiry of 36 months from grant date   | 10                        | 26.10                                 |

Note: During the year, valuation has been taken at comparable company method



## Schedules forming part of financial statements

| Scheme                   | Number of Options Outstanding as on April 1st, 2018 | Issued During the year | Cancellation of Options due to resignations / surrender 2018-19 | Options Exercised 2018-19 | Number of Options outstanding as on March 31st, 2019 | Exercisable as at March 31st, 2019 |
|--------------------------|---|------------------------|---|---------------------------|--|------------------------------------|
| <b>ESOP Scheme 2010*</b> |   |                        |   |                           |  |                                    |
| - Series-I               | 1,038,750   | -                      | 225,000   | 813,750                   | -  | -                                  |
| - Series-II              | 7,336,250   | -                      | 1,275,000   | 6,061,250                 | -  | -                                  |
| - Series-III             | 1,300,000   | -                      | -   | 1,300,000                 | -  | -                                  |
|                          |   |                        |   |                           |  |                                    |
| <b>ESOP Scheme 2014*</b> |   |                        |   |                           |  |                                    |
| - Series-I               | 7,577,000   | -                      | 1,000,000   | 6,377,000                 | 200,000  | 200,000                            |
| - Series-II              | 3,625,000   | -                      | 165,000   | 3,210,000                 | 250,000  | 250,000                            |
| - Series-III             | 1,294,050   | -                      | 28,050  | 1,223,500                 | 42,500   | 42,500                             |
| - Series-IV              | 2,372,050   | -                      | 42,500  | 2,287,050                 | 42,500   | 42,500                             |
| - Series-V               | 2,243,140   | -                      | 36,500  | 2,170,140                 | 36,500   | 36,500                             |
| - Series-VI              | 1,633,949   | -                      | 29,212  | 1,561,137                 | 43,600   | 43,600                             |
| - Series-VII**           | 1,427,600   | -                      | -   | 1,427,600                 | -  | -                                  |
| - Series-VIII**          | 1,843,200   | -                      | -   | 1,843,200                 | -  | -                                  |
| - Series-IX**            | 633,600   | -                      | -   | 633,600                   | -  | -                                  |
| - Series-X**             | 861,120   | -                      | -   | 861,120                   | -  | -                                  |
| - Series-XI**            | -   | 4,061,707              | -   | -                         | 4,061,707  | -                                  |
| - Series-I - New         | -   | 28,868,288             | -   | -                         | 28,868,288   | -                                  |
| - Series-II - New        | -   | 17,361,155             | -   | -                         | 17,361,155   | -                                  |
| - Series-III - New       | -   | 243,160                | -   | -                         | 243,160  | -                                  |
|                          |   |                        |   |                           |  |                                    |
| <b>CEO Scheme 2014</b>   |   |                        |   |                           |  |                                    |
| - Series-I               | 13,116,964  | -                      | -   | 13,116,964                | -  | -                                  |
| - Series-II              | 6,883,036   | -                      | -   | 107,936                   | 6,775,100  | 6,775,100                          |
| - Series-III             | 1,285,714   | -                      | -   | -                         | 1,285,714  | 1,285,714                          |
| - Series-IV              | 1,285,714   | -                      | -   | -                         | 1,285,714  | 1,285,714                          |
| - Series-V               | 1,285,714   | -                      | -   | -                         | 1,285,714  | 1,285,714                          |
| - Series-VI              | 1,285,714   | -                      | -   | -                         | 1,285,714  | 1,285,714                          |
| - Series-VII             | 1,999,999   | -                      | -   | -                         | 1,999,999  | 1,999,999                          |
| - Series-VIII            | 1,221,429   | -                      | -   | -                         | 1,221,429  | 1,221,429                          |
| - Series-IX              | 486,890   | -                      | -   | -                         | 486,890  | 486,890                            |
| - Series-X               | 1,006,965   | -                      | -   | -                         | 1,006,965  | 1,006,965                          |
| - Series-XI              | -   | 1,570,432              | -   | -                         | 1,570,432  | -                                  |
| - Series-I - New         | -   | 13,224,900             | -   | -                         | 13,224,900   | -                                  |
| - Series-II - New        | -   | 15,561,816             | -   | -                         | 15,561,816   | -                                  |
| - Series-III - New       | -   | 224,463                | -   | -                         | 224,463  | -                                  |
| <b>Total</b>             | <b>63,043,848</b>                                   | <b>81,115,921</b>      | <b>2,801,262</b>  | <b>42,994,247</b>         | <b>98,364,260</b>                                    | <b>17,248,339</b>                  |

\* Options including numbers of RHICL Employees and REL Seniors



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

### (B) Religare Finvest Limited ("RFL")

| Type of Scheme                                       | ESOP Scheme 2013 (Series - I)   | ESOP Scheme 2013 (Series - II)  |
|--|---|---|
| Date of Grant  | 13-Aug-13   | 30-Sep-14   |
| Number Granted                                       | 17,893,000  | 9,020,000   |
| Contractual Life                                     | Dependent on conditions being met *   | Dependent on conditions being met *   |
| Vesting Conditions                                   | 100% in single tranche when condition attained                                      | 100% in single tranche when condition attained                                      |
| Method of Option Valuation                           | Weighted Average of Net Assets Value, DCF & Market Cap / Net worth Multiple methods | Weighted Average of Net Assets Value, DCF & Market Cap / Net worth Multiple methods |
| Exercise Price (Rs per share)                        | 98  | 108   |
| Estimated fair value of share granted (Rs per share) | 98  | 108   |

| Scheme       | No. of Options outstanding as on April 1, 2018 | Issued During the Year | Cancellation of Options During the Year | Options Exercised during the Year | Number of Options outstanding as on March 31, 2019 | Exercisable as at March 31, 2019 |
|--------------|--|------------------------|---|-----------------------------------|--|----------------------------------|
| Scheme 2013  | 12,225,000                                     | -                      | 7,709,000                               | -                                 | 4,516,000  | 4,516,000                        |
| <b>Total</b> | <b>12,225,000</b>                              | <b>-</b>               | <b>7,709,000</b>                        | <b>-</b>                          | <b>4,516,000</b>                                   | <b>4,516,000</b>                 |

| * Business Scenario  | ESOPs vesting (Series - I)<br>% of options allotted | ESOPs vesting (Series - II)<br>% of options allotted |
|--|---|--|
| RFL RoE in FY15 or FY16 $\geq$ 14% or if RFL P/BV in FY15 or FY16 $\geq$ 1.5 x     | 65.00%  | 65.00%   |
| RFL RoE in FY15 or FY16 $\geq$ 16.5% or if RFL P/BV in FY15 or FY16 $\geq$ 1.7 x   | 79.00%  | 79.00%   |
| RFL RoE in FY15 or FY16 $\geq$ 18% or if RFL P/BV in FY15 or FY16 $\geq$ 2.0 x (^) | 100.00%   | 100.00%  |

^ This condition had been meet accordingly 100% options granted under series I and series II have vested during the financial year (2015-16) basis approval from the Nomination and Remuneration Committee.

**Note:** Total ESOP pool approved is 24,550,844 number of options.

\* If RFL is converted into a Banking entity, the following conditions would apply:

- If commercial operations begin within 15 months from new date of option grant, 1/3 of total pool would vest on accelerated basis and REL will purchase vested options at FMV on such date.
- If commercial operations begin after 15 months from new date of option grant, 1/2 of total pool would vest and REL will purchase vested options at FMV on such date.

*RoE - Return on Equity, P/BV - Price to Book Value, FMV - Fair Market Value*

As the fair value of the shares at the date of grant of Options is equals to the exercise price no amount has been charged to the Statement of Profit and Loss.



## (C) Religare Broking Limited (“RBL”)

| Type of Scheme                        | ESOP Scheme 2016                            | ESOP Scheme 2012                           |
|---------------------------------------|---|--|
| Date of grant                         | 9-Jun-2016                                  | 28-Feb-2012                                |
| Number Granted                        | 3,140,450                                   | 2,094,390                                  |
| Contractual Life                      | 9 Years                                     | 9 Years                                    |
| Vesting Conditions                    | 100% on expiry of 12 months from grant date | 33% on expiry of 1 day from grant date     |
|                                       |   | 33% on expiry of 10 months from grant date |
|                                       |   | 34% on expiry of 22 months from grant date |
| Method of Option Valuation            | Black Scholes Option Pricing Method         | Black Scholes Option Pricing Method        |
| Exercise Price per option             | 253.75                                      | 144  |
| Estimated fair value of share granted | 256.21 / 253.72                             | 144  |

| Scheme                         | Number of Options Outstanding as on April 1, 2018 | Issued During the year | Cancellation of Options due to resignations/ surrender during the year | Options Exercised | Number of Options outstanding as on March 31, 2019 | Exercisable as at March 31, 2019 |
|--------------------------------|---|------------------------|--|-------------------|--|----------------------------------|
| ESOP Scheme 2012*              | -   | -                      | -  | -                 | -  | -                                |
| ESOP Scheme 2016               | 1,853,800   | -                      | 564,800  | -                 | 1,289,000  | 1,289,000                        |
| <b>TOTAL</b>                   | <b>1,853,800</b>                                  | <b>-</b>               | <b>564,800</b>   | <b>-</b>          | <b>1,289,000</b>                                   | <b>1,289,000</b>                 |
| <b>Range of Exercise Price</b> |   |                        |  |                   |  |                                  |
| <b>ESOP Scheme 2012</b>        | 144.00  |                        |  |                   |  |                                  |
| <b>ESOP Scheme 2016#</b>       | 72.13   |                        |  |                   |  |                                  |

\*ESOP Scheme 2010 and 2012 have since now been closed subsequent to the Balance Sheet date in November 2017 and January 2018 respectively as there were nil outstanding of options granted on the date of approval of Composite Scheme of Arrangement “the Scheme” by National Company Law Tribunal (NCLT) and accordingly, the exercise price have not been re-calculated post giving the effect of the Scheme for both these Scheme.

# The Stock option exercise price has been re-calculated post giving the effect of the Composite Scheme of Arrangement approved by NCLT. Exercise Price per share prior to giving the effect of the Scheme was Rs.253.75 per share.

The options granted under ESOP Scheme 2016 have been surrendered in subsequent year by the employees in lieu of the New ESOP Scheme 2019 approved by the Board of Directors on March 08, 2019.

**53. First Time Adoption of Ind AS**

The Group has prepared the opening balance sheet as per Ind AS as at April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Group as detailed below.

**(a) Estimates**

The estimates as at 1 April 2017 and at 31 March 2018 in accordance with Ind AS are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017, the date of transition to Ind AS and as of March 31, 2018. The Group made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

**(b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Accordingly the Group has determined the classification of Financial Assets based on the facts and circumstances exist as on the date of transition.

**(c) Derecognition of financial assets and liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 prospectively.

**(d) Impairment of financial assets**

The impairment of financial assets are required to assess based upon the new model i.e. Expected Credit Loss ("ECL") instead of rule based guidance (RBI Prudential Norms) or accrual based, as prevailed under Previous GAAP. Accordingly, the Group has applied the impairment requirement of Ind-AS 109 on all financial assets recognised as per Ind-AS 109 retrospectively except:

1. The Group has sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort.
2. The Group has determined whether the financial asset is having low credit risk, as specified in Ind-AS 109, and whether there is a significant increase in credit risk since initial recognition of financial assets by applying rebuttable presumption of 30 days past due.
3. If the Group is unable to determine whether there is a significant increase in credit risk since initial recognition of a financial asset, without involving undue cost or effort, the Group shall recognise a loss amount equal to life time expected losses at each reporting date till the financial asset is derecognised. Accordingly, the Group has developed ECL model for testing of impairment of financial assets.

**(e) Business combination**

The Group has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2017 and so have been accounted the same in accordance with Previous GAAP. Goodwill and Capital Reserve arising from business combination has been stated at the carrying amount under Previous GAAP. Intangible assets which were subsumed in goodwill under Previous GAAP have not been recognised up to April 1, 2017.

**(f) Property, plant and equipment and Intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**(g) Share based payment transactions**

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Group has elected not to apply Ind AS 102 to options that vested prior to April 1, 2017.

**(h) Investment in subsidiaries and joint ventures**

In separate financial statements, Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Group's date of transition to Ind AS, or Previous GAAP carrying amount at that date. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for class of investments at each subsidiary, associate and joint venture Group.

Accordingly, the some Group companies have elected to measure its investments in subsidiaries and joint ventures at their previous GAAP carrying value and other have elected to its investments in subsidiaries and joint ventures at fair value as at April 1, 2017 as deemed cost.

**(i) Investment - FVTOCI**

Business model of a health insurance company of the Group has classified some of the investments as fair value through Other Comprehensive Income ("FVTOCI") investments.

**(j) Non-current Assets Held for Sale and Discontinued Operations**

Ind AS 105 requires non-current assets (or disposal Group) that meet the criteria to be classified as held for sale, non-current assets (or disposal Group) that are held for distribution to owners and operations that meet the criteria to be classified as discontinued and carried at lower of its carrying amount and fair value less cost to sell on the initial date of such identification. Ind AS 105 also requires that a non-current asset classified as held for sale or forming part of disposal Group should not be depreciated or amortised, if the asset's measurement is covered within the scope of Ind AS 105.

Measure such assets or operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind AS's in accordance with Ind AS 105, and recognise directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind ASs determined under the Group's previous GAAP.





## 53.1 Effect of Ind AS adoption on the Consolidated Balance Sheet as at March 31, 2018 and April 1, 2017:

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars                         | Note No. | As at March 31, 2018 |                                | As at April 1, 2017 |                     |                                |
|-------------------------------------|----------|----------------------|--------------------------------|---------------------|---------------------|--------------------------------|
|                                     |          | IGAAP*               | Effect of transition to Ind AS | IND AS              | IGAAP*              | Effect of transition to Ind AS |
| <b>ASSETS</b>                       |          |                      |                                |                     |                     |                                |
| <b>Financial Assets</b>             |          |                      |                                |                     |                     |                                |
| Cash and Cash Equivalents           |          | 50,779.52            | (11.46)                        | 50,768.06           | 154,609.77          | (15.10)                        |
| Bank Balance Other Than Above       |          | 123,701.44           | -                              | 123,701.44          | 47,541.13           | -                              |
| Receivables                         |          |                      |                                |                     |                     |                                |
| - Trade Receivables                 |          | 31,041.97            | (290.00)                       | 30,751.97           | 63,408.34           | (276.73)                       |
| Loans                               |          | 887,788.02           | 25,502.26                      | 913,290.28          | 1,487,203.51        | 4,835.81                       |
| Investments                         |          | 118,797.10           | 919.98                         | 119,717.08          | 136,464.52          | 817.91                         |
| Other Financial Assets              |          | 15,999.35            | 2,168.56                       | 18,167.91           | 21,386.89           | 6,710.85                       |
| <b>Non-financial Assets</b>         |          |                      |                                |                     |                     |                                |
| Inventories                         |          | 4.05                 | -                              | 4.05                | 74.73               | (3.25)                         |
| Current Tax Assets (Net)            |          | 30,653.01            | (11.64)                        | 30,641.37           | 8,202.55            | (513.68)                       |
| Deferred Tax Assets (Net)           |          | 51,159.77            | 534.51                         | 51,694.28           | 28,334.20           | 1,094.02                       |
| Property, Plant and Equipment       |          | 2,640.63             | (0.36)                         | 2,640.27            | 3,389.17            | (2.86)                         |
| Goodwill                            |          | 972.04               | -                              | 972.04              | 2,675.09            | (948.92)                       |
| Other Intangible Assets             |          | 4,355.67             | -                              | 4,355.67            | 4,229.69            | (0.04)                         |
| Capital Work-in-Progress            |          | -                    | -                              | -                   | -                   | -                              |
| Intangible Assets Under Development |          | 1,118.59             | -                              | 1,118.59            | 1,190.74            | -                              |
| Other Non-Financial Assets          |          | 38,620.22            | (201.38)                       | 38,418.84           | 36,569.10           | (1,295.53)                     |
| <b>Total Assets</b>                 |          | <b>1,357,631.38</b>  | <b>28,610.47</b>               | <b>1,386,241.85</b> | <b>1,995,279.43</b> | <b>10,597.27</b>               |
|                                     |          |                      |                                |                     | <b>12,115.53</b>    | <b>2,017,992.23</b>            |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | Note No. | As at March 31, 2018 |                                |                     | As at April 1, 2017 |                  |                                |
|---|----------|----------------------|--------------------------------|---------------------|---------------------|------------------|--------------------------------|
|   |          | IGAAP*               | Effect of transition to Ind AS | IND AS              | IGAAP*              | Merger Impact #  | Effect of transition to Ind AS |
| <b>LIABILITIES AND EQUITY</b>   |          |                      |                                |                     |                     |                  |                                |
| <b>LIABILITIES</b>  |          |                      |                                |                     |                     |                  |                                |
| <b>Financial Liabilities</b>  |          |                      |                                |                     |                     |                  |                                |
| Payables  |          | -                    | -                              | -                   | -                   | -                | -                              |
| - 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 |          | 23,866.78            | (1.04)                         | 23,865.74           | 32,579.73           | (476.73)         | (5.89)                         |
| - 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 |          | 14,065.34            | -                              | 14,065.34           | 8,232.11            | -                | -                              |
| Debt Securities   |          |                      |                                |                     |                     |                  |                                |
| Borrowings (Other than Debt Securities)   |          | 44,535.37            | -                              | 44,535.37           | 178,870.67          | -                | -                              |
| Subordinated Liabilities  |          | 887,545.51           | 5,705.77                       | 893,251.28          | 1,236,785.53        | -                | 4,275.63                       |
| Other Financial Liabilities   |          | 56,700.47            | -                              | 56,700.47           | 78,386.53           | -                | -                              |
|   |          | 62,204.17            | (7.65)                         | 62,196.52           | 87,496.76           | -                | (7.50)                         |
| <b>Non-Financial Liabilities</b>  |          |                      |                                |                     |                     |                  |                                |
| Provisions  |          | 1,460.92             | -                              | 1,460.92            | 2,123.22            | -                | 6.88                           |
| Other Non-Financial Liabilities   |          | 64,663.04            | 6.88                           | 64,669.92           | 46,030.65           | -                | 2.81                           |
| <b>Total Liabilities</b>  |          | <b>1,155,041.60</b>  | <b>5,703.96</b>                | <b>1,160,745.56</b> | <b>1,670,505.20</b> | <b>(476.73)</b>  | <b>4,271.93</b>                |
| <b>EQUITY</b>   |          |                      |                                |                     |                     |                  |                                |
| Equity Share Capital  |          | 20,495.52            | (2,650.00)                     | 17,845.52           | 20,483.45           | -                | (2,650.00)                     |
| Other Equity  |          | 147,968.87           | 17,838.80                      | 165,807.67          | 254,855.46          | 12,592.26        | 3,449.49                       |
| <b>Equity Attributable to Owners of the Group</b>   |          | <b>168,464.39</b>    | <b>15,188.80</b>               | <b>183,653.19</b>   | <b>275,338.91</b>   | <b>12,592.26</b> | <b>799.49</b>                  |
| Non Controlling Interest  |          | 34,125.39            | 7,717.71                       | 41,843.10           | 49,435.32           | -                | 5,525.85                       |
| <b>Total Equity</b>   |          | <b>202,589.78</b>    | <b>22,906.51</b>               | <b>225,496.29</b>   | <b>324,774.23</b>   | <b>12,592.26</b> | <b>6,325.34</b>                |
| <b>Total Liabilities and Equity</b>   |          | <b>1,357,631.38</b>  | <b>28,610.47</b>               | <b>1,386,241.85</b> | <b>1,995,279.43</b> | <b>12,115.53</b> | <b>10,597.27</b>               |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

# Last year some subsidiaries of the Group had been amalgamated with the REL. Appointed date of scheme of arrangement was April 1, 2016 and effective date of scheme was December 29, 2017. Accordingly, the figures for the year ended March 31, 2018 reported, under previous GAAP, were after giving effect to the amalgamation, while the comparative figures for the year ended March 31, 2017 reported were before giving effect to the merger.

Ind AS compliant financials as on transition date i.e. April 1, 2017 have been prepared after giving the impact of the amalgamation.



## 53.2 Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended March 31, 2018:

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | IGAAP*              | Effect of transition to Ind AS | IND AS              |
|--|---------------------|--------------------------------|---------------------|
| <b>Revenue</b>   |                     |                                |                     |
| Revenue From Operations  |                     |                                |                     |
| Interest Income  | 141,902.57          | 5,803.89                       | 147,706.46          |
| Dividend Income  | 2.04                | (2.04)                         | -                   |
| Fee and Commission Income  | 10,165.01           | -                              | 10,165.01           |
| Net Gain on Fair Value Changes                                   | -                   | 575.49                         | 575.49              |
| Sale of Services   | 25,031.68           | (61.19)                        | 24,970.49           |
| Other Revenue From Operations                                    | 69,029.30           | -                              | 69,029.30           |
| <b>Total Revenue From Operations</b>                             | <b>246,130.60</b>   | <b>6,316.15</b>                | <b>252,446.75</b>   |
| Other Income   | 20,980.88           | 114.14                         | 21,095.02           |
| <b>Total Income</b>  | <b>267,111.48</b>   | <b>6,430.29</b>                | <b>273,541.77</b>   |
| <b>Expenses</b>  |                     |                                |                     |
| Finance Costs  | 126,100.50          | 682.15                         | 126,782.65          |
| Fee and Commission Expenses                                      | 7,250.19            | -                              | 7,250.19            |
| Employee Benefit Expenses  | 131,497.43          | 2.05                           | 131,499.48          |
| Impairment and Loss Allowances on Financial Instruments          | 64,763.92           | (14,927.23)                    | 49,836.69           |
| Depreciation, Amortization and Impairment                        | 3,760.70            | (754.83)                       | 3,005.87            |
| Other Expenses   | 91,523.98           | 4,362.81                       | 95,886.79           |
| <b>Total Expenses</b>  | <b>424,896.72</b>   | <b>(10,635.05)</b>             | <b>414,261.67</b>   |
| <b>Profit / (Loss) Before Exceptional Items and Tax</b>          | <b>(157,785.24)</b> | <b>17,065.34</b>               | <b>(140,719.90)</b> |
| Exceptional Items  | -                   | -                              | -                   |
|  | <b>(157,785.24)</b> | <b>17,065.34</b>               | <b>(140,719.90)</b> |
| Share in Profit / (Loss) of Joint Ventures / Associates          | -                   | (22.98)                        | (22.98)             |
| <b>Profit / (Loss) Before Tax</b>                                | <b>(157,785.24)</b> | <b>17,042.36</b>               | <b>(140,742.88)</b> |
| <b>Income Tax Expense / (Credit):</b>                            |                     |                                |                     |
| Current Tax  | (426.33)            | (10.48)                        | (436.81)            |
| Deferred Tax (Net)   | (22,316.84)         | 61.84                          | (22,255.00)         |
| <b>Profit / (Loss) For The Period From Continuing Operations</b> | <b>(135,042.07)</b> | <b>16,991.00</b>               | <b>(118,051.07)</b> |
| Profit / (Loss) From Discontinued Operations                     | -                   | -                              | -                   |
| Tax Expense of Discontinued Operations                           | -                   | -                              | -                   |
| <b>Profit / (Loss) From Discontinued Operations (After tax)</b>  | <b>-</b>            | <b>-</b>                       | <b>-</b>            |
| <b>Profit / (Loss) For The Year</b>                              | <b>(135,042.07)</b> | <b>16,991.00</b>               | <b>(118,051.07)</b> |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | IGAAP*              | Effect of transition to Ind AS | IND AS              |
|--|---------------------|--------------------------------|---------------------|
| <b>Other Comprehensive Income</b>                                    |                     |                                |                     |
| (A) Items That Will Not be Reclassified to Profit or Loss            |                     |                                |                     |
| →Remeasurement Gain or (Loss) on Defined Benefit Plans               | -                   | 64.38                          | 64.38               |
| Income Tax Impact on Above Item                                      | -                   | -                              | -                   |
| →Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI | -                   | (68.76)                        | (68.76)             |
| Income Tax Impact on Above Item                                      | -                   | -                              | -                   |
| <b>Subtotal (A)</b>  | -                   | <b>(4.38)</b>                  | <b>(4.38)</b>       |
| (B) Items That Will be Reclassified to Profit or Loss                |                     |                                |                     |
| →Net Gain / (Loss) on Debt Securities FVTOCI                         | -                   | (405.44)                       | (405.44)            |
| Income Tax Impact on Above Item                                      | -                   | -                              | -                   |
| <b>Subtotal (B)</b>  | -                   | <b>(405.44)</b>                | <b>(405.44)</b>     |
| <b>Other Comprehensive Income (Net of Tax) (A + B)</b>               | -                   | <b>(409.82)</b>                | <b>(409.82)</b>     |
| <b>Total Comprehensive Income For The Year</b>                       | <b>(135,042.07)</b> | <b>16,581.18</b>               | <b>(118,460.89)</b> |
| <b>Profit/(Loss) for the year attributable to:</b>                   |                     |                                |                     |
| a) Owners of the Group   | (119,250.10)        | 14,749.06                      | (104,501.04)        |
| b) Non Controlling Interest  | (15,791.96)         | 2,241.93                       | (13,550.03)         |
|  | <b>(135,042.06)</b> | <b>16,990.99</b>               | <b>(118,051.07)</b> |
| <b>Other Comprehensive Income attributable to:</b>                   |                     |                                |                     |
| a) Owners of the Group   | -                   | (363.74)                       | (363.74)            |
| b) Non Controlling Interest  | -                   | (46.08)                        | (46.08)             |
|  | -                   | <b>(409.82)</b>                | <b>(409.82)</b>     |
| <b>Total Comprehensive Income attributable to:</b>                   |                     |                                |                     |
| a) Owners of the Group   | (119,250.10)        | 14,385.32                      | (104,864.78)        |
| b) Non Controlling Interest  | (15,791.96)         | 2,195.85                       | (13,596.11)         |
|  | <b>(135,042.06)</b> | <b>16,581.17</b>               | <b>(118,460.89)</b> |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### 53.3 Reconciliation of 'Other Equity' and 'Profit and Loss for the year' between Ind AS and Previous GAAP:

| Particulars   | Notes to First-Time Adoption | Equity               |                     | Profit and Loss for the year         |
|---|------------------------------|----------------------|---------------------|--------------------------------------|
|   |                              | As at March 31, 2018 | As at April 1, 2017 | For the year ended on March 31, 2018 |
| <b>Total 'Equity' as per Previous Indian GAAP</b>   |                              | <b>168,464.39</b>    | <b>275,338.91</b>   | -                                    |
| <b>Profit and Loss' for the year attributable to the owners as per Previous Indian GAAP</b> |                              | -                    | -                   | <b>(119,250.10)</b>                  |
| 1) Adjustment due to Composite Scheme of Arrangement  |                              | -                    | 12,592.26           | -                                    |
| 2) Liability portion of preference share capital  | a                            | (2,650.00)           | (2,650.00)          | -                                    |



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   |   | Notes to First-Time Adoption | Equity               |                     | Profit and Loss for the year         |
|---|---|------------------------------|----------------------|---------------------|--------------------------------------|
|   |   |                              | As at March 31, 2018 | As at April 1, 2017 | For the year ended on March 31, 2018 |
| 3)  | Premium on preference share capital classified as borrowing   | b                            | (1,350.00)           | (1,350.00)          | -                                    |
| 4)  | Interest on preference share capital (including premium thereon) classified as borrowing                  | c                            | (2,883.59)           | (2,201.44)          | (682.15)                             |
| 5)  | Loan Processing / Transaction Charges Received on Loans Given Adjusted in Effective Interest Rate ("EIR") | d                            | (6,876.08)           | (11,203.33)         | 4,327.25                             |
| 6)  | Interest Income on Non Performing Loans Recognised Under Ind AS   | e                            | 3,094.79             | 1,618.16            | 1,476.63                             |
| 7)  | Expected Credit Loss Allowances on Financial Assets   | f                            | 28,959.58            | 14,032.35           | 14,927.23                            |
| 8)  | Income / (Loss) Booked Against Excess Interest Spread   | g                            | 3,242.20             | 7,497.80            | (4,255.60)                           |
| 9)  | Net Gain on Equity and Other Investments Carried at   | h                            |                      |                     |                                      |
|   | # Fair Value through Profit and Loss Account  |                              | 1,380.85             | 805.38              | 575.47                               |
|   | # Fair Value through Other Comprehensive Income   |                              | (474.20)             | -                   | (474.20)                             |
| 10)   | Impact of Proportionate Consolidation to Equity Method of a JV  | i                            |                      |                     |                                      |
|   | # Reversal of the Impact of Proportionate Consolidation   |                              | 305.52               | (471.59)            | 777.11                               |
|   | # Impact of Equity Method (i.e. Share in Profit / (Loss) of JV)   |                              | (305.52)             | (282.54)            | (22.98)                              |
| 11)   | Others  |                              | (71.53)              | (66.65)             | (4.88)                               |
| 12)   | Change in Non-Controlling Interest  |                              | (7,717.71)           | (5,525.85)          | (2,195.87)                           |
| 13)   | Deferred Tax on the above Ind AS Adjustments (Net)  | j                            | 534.49               | 597.20              | (62.71)                              |
| <b>Total 'Equity' as per Ind AS</b>   |   |                              | <b>183,653.19</b>    | <b>288,730.66</b>   |                                      |
| <b>Profit and Loss' for the year attributable to the owners as per Ind AS</b> |   |                              |                      |                     | <b>(104,864.78)</b>                  |

**53.4 Notes to First-Time Adoption:****a) Preference Share Capital**

Under Previous GAAP redeemable preference share capital issued by the Group are recognised in Share Capital / Equity. Under Ind AS amount received on issuance of such preference share capital (including premium thereon) is reported as borrowings. Therefore Equity as on March 31, 2018 and April 1, 2017 were reduced by Rs 2,650 Lakhs and borrowings were increased to that extent.

**b) Premium on Preference Share Capital**

Under Previous GAAP security premium received on issuance of redeemable preference share capital issued by the Group are recognised in Reserve and Surplus / Equity. Under Ind AS amount received on issuance of such preference share capital (including premium thereon) is reported as borrowings. Therefore Equity as on March 31, 2018 and April 1, 2017 were reduced by Rs 1,350 Lakhs and borrowings were increased to that extent.



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2019

**c) Interest on Redeemable Preference Share Capital (Including Premium Thereon) Classified as Borrowings**

Under Ind AS redeemable preference share capital issued by the Group are classified as borrowings. Interest thereon, up to the due date of redemption, is charged to the Statement of the Profit and Loss. Interest provision up to the date of transition is charged to the retained earning.

**d) Loan Processing Charges Received on Loans Given**

In accordance with Ind AS 109, all financial assets are initially recognised at fair value plus transaction costs that are directly attributable to issuing the financial asset. In case of financial asset, any directly attributable processing fees or upfront discount is netted with the proceeds of the lending and such asset is measured at amortised cost. Loans granted are carried at amortised cost and are accounted on Effective Interest Rate ("EIR") method. The upfront fee or process fees received are deferred and accounted on EIR basis. Loans are shown as net of amortised amount of upfront / processing fee received.

**e) Interest Income on Non Performing Loans Recognised Under Ind AS**

Under Previous GAAP loans classified as Non Performing Assets ("NPA") (i.e. non performing loans) interest income is recognised only when it is received. Under Ind AS 109, interest income is generally recognized on effective interest rate on the gross carrying amount of financial assets depending on the stage of the loan. In the case where the loan or an asset is considered impaired, the interest income will be accounted for at the net amount, i.e., gross carrying amount less ECL subject to availability of security and management estimate regarding recoverability.

**f) Expected Credit Loss Allowances ("ECL") on Financial Assets**

Under Indian GAAP, Non performing Assets ("NPA") provisioning was computed based on the RBI / NHB guidelines for NBFC companies and on accrual basis in other companies. Under Ind AS, the impairment is computed based on ECL model. Under ECL, the Group impaired its other receivable, investments and loans to customers. This has resulted in reversal of impairment provision on the date of transition to Ind AS the impact of which was taken to retained earnings and reversal of impairment for the year ended March 31, 2018 has been taken to the Statement of Profit and Loss.

**g) Excess Interest Spread**

Under Ind AS excess interest spread on the loans assigned are measured and recognized at present value on the date of transaction rather than on a deferred basis as was done under previous GAAP. Accordingly income and assets are booked. As on transition date excess interest spread on such assigned loans were measured at present value and adjusted in retained earning. Under Previous GAAP nothing was recognized on the transaction date and income was booked on realisation basis.

**h) Gain / (Loss) on Fair Valuation of Investments**

In accordance with Ind AS 109, investments in mutual funds, venture capital fund, alternative investment funds and equity instruments are recognised at Fair Value Through Profit and Loss ("FVTPL")

Under previous GAAP, one of the group Group that is in the business of health insurance accounted for long term investments in debt securities and equity instruments (both quoted and unquoted) as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as Fair Value Through Other Comprehensive Income ("FVTOCI") investments. Ind AS requires FVTOCI to be measured at fair value. At the date of transition to Ind AS, difference between the investments' fair value and carrying cost as per previous GAAP has been recognised as a separate components of equity, net of related taxes, if any. The difference between amortised cost and the previous GAAP carrying amount has been recognised in retained earnings as at April 1, 2017 and in 'Other Comprehensive Income' thereafter.

**i) Impact of Proportionate Consolidation to Equity Method of a JV**

Under previous GAAP, joint venture company is proportionately consolidated in the consolidated financial statements. Under Ind AS, if joint venture company is accounted for using equity method.

**j) Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.





In accordance with Ind AS 12, a Company on transition to Ind AS has to recognise deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences, i.e. profit and loss approach. The tax impacts above, primarily, represent deferred tax.

**k) Cost of borrowing**

Borrowing carried at amortised cost are accounted on Effective Interest Rate ("EIR") method. The upfront fee or cost of borrowing incurred is deferred and accounted on EIR basis. Borrowings are shown as net of amortised amount of upfront fee incurred.

**l) Defined Benefit Liabilities**

Both under previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements i.e. actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**m) Retained Earnings**

Retained Earnings as at April 1, 2017 has been adjusted consequent to the above Ind AS transition adjustments.

**n) Cash Flow Statement**

There is no significant reconciliation items between cash flow prepared under Previous GAAP and those prepared under Ind AS.

**o) Appropriation Made to Statutory Reserve From Retained Earnings**

Amount transferred to Statutory / Special Reserve by the Group companies from the profit, during the year ended March 31, 2018, under Previous GAAP have not been changed despite of change in profit under Ind AS for the year.

**54. Related Party Disclosures**

| Nature of Relationship   | Name of Party  |
|--|--|
| <p><b>(a) Individual Owning Direct or Indirect Interest and Voting Power that Given them Control</b></p> | <p>Mr. Anhad Parvinder Singh [till February 14, 2018]<br/> Mr. Kabir Parvinder Singh [till February 14, 2018]<br/> Mr. Udayveer Parvinder Singh [till February 14, 2018]<br/> Mr. Vivan Parvinder Singh [till February 14, 2018]<br/> Ms. Aditi Shivinder Singh [till February 14, 2018]<br/> Ms. Japna Malvinder Singh [till February 14, 2018]<br/> Ms. Nanaki Parvinder Singh [till February 14, 2018]<br/> Ms. Nandini Parvinder Singh [till February 14, 2018]<br/> Ms. Nimmi Singh [till February 14, 2018]<br/> Ms. Nimrita Parvinder Singh [till February 14, 2018]<br/> Mr. Shivinder Mohan Singh [till February 14, 2018]<br/> Mr. Malvinder Mohan Singh [till February 14, 2018]<br/> Mr. Surath Singh [till December 16, 2016]</p> |
| <p><b>(b) Joint Ventures of the Company</b></p>  | <p>IBOF Investment Management Private Limited</p>  |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Nature of Relationship   | Name of Party  |
|--|--|
| (c) Key Managerial Personnel ("KMP") and close members of their families | <p>Dr. Manjushree Ghodke</p> <p>Dr. Rashmi Saluja -[w.e.f December 20, 2018]</p> <p>Mr. Anil Saxena -[till Nov 14, 2017]</p> <p>Mr. Anuj Gulati</p> <p>Mr. Ashok Mehta [w.e.f Apr 17 , 2018 till August 7,2018]</p> <p>Mr. Avinash Chander Mahajan -[upto 29 November, 2017]</p> <p>Mr. Deepak Sabnani [till May 18, 2018]</p> <p>Mr. Francis Danial Lee [Nov 17, 2017 to Jan 24, 2018]</p> <p>Mr. Gaurav Kaushik - [w.e.f. 28 March, 2019]</p> <p>Mr. Gourav Mardia - [w.e.f. December 10, 2018]</p> <p>Mr. Jayant Manglik - [w.e.f September 05, 2018]</p> <p>Mr. Kamal Kumar Kaushik - [w.e.f May 29, 2018]</p> <p>Mr. Kavi Arora -[upto 12 November, 2017]</p> <p>Mr. Krishnan Subramanian - [w.e.f. January 15, 2018 till March 11, 2018]</p> <p>Mr. Malay Kumar Sinha - [w.e.f May 28, 2018]</p> <p>Mr. Maninder Singh - [w.e.f. March 22, 2017- Nov 14,2017]</p> <p>Mr. Milind Narendra Patel - [w.e.f. February 20, 2019]</p> <p>Mr. Nitin Aggarwal [w.e.f. January 2, 2018 till May 16, 2018]</p> <p>Mr. Nitin Jain - [w.e.f. April 28, 2017 till January 1, 2018]</p> <p>Mr. Padam Bahl - upto 4 June, 2018]</p> <p>Mr. Rama Krishna Shetty</p> <p>Mr. Sanjay D Palve - [w.e.f. 17 August, 2018]</p> <p>Mr. Subramanian Lakshminaraynan - [Nov 14, 2017 till Jan 22, 2018]</p> <p>Mr. Sunil Godhwani [till September 06, 2017]</p> <p>Mr. Sushil Chandra Tripathi - [w.e.f August 01, 2018]</p> <p>Mr. Tirlockee Chauhan - [w.e.f. November 13, 2018]</p> <p>Mr. Vikram Talwar -[upto 28 September, 2018]</p> <p>Ms. Sabina Vaisoha - [w.e.f. October 04, 2017]</p> <p>Ms. Sanjana Manglik</p> <p>Ms. Vijayalakshmi Rajaram Iyer - [w.e.f May 08, 2018]</p> <p>Mr. Ashok Chothuram Mehta</p> <p>Mr. Avinash Mahajan</p> <p>Mr. Harpal Singh</p> <p>Mr. Kishori Udeshi</p> <p>Mr. Rashi Dhir</p> <p>Ms. Sangeeta Talwar</p> |



| Nature of Relationship  | Name of Party   |
|---|---|
| (d) Enterprises over which KMP and close members of their families are able to exercise significant influence with whom transactions have taken place | Mr. Sanjeev Chaudhary<br>Mr. Satwinder Singh<br>Mr. Sunil Aggarwal<br>Mr. Tejpreet Singh Chopra<br>Mr. Vijaya Bhaskar Pedomallu<br>Mr. Vikrant Pachnanda<br>Mr. Virendra Kumar Madan<br>Mr. Vivek Goyal<br><br>A-1 Book Company Private Limited<br>ANR Securities Private Limited<br>Bindas Realtors Private Limited<br>DDRC SRL Diagnostics Private Limited<br>Dion Global Solutions Limited<br>Escorts Heart Institute & Research Centre<br>Finserve Shared Services Limited<br>Fortis C-Doc Healthcare Limited<br>Fortis Charitable Foundation<br>Fortis Clinical Research Limited<br>Fortis Global Healthcare Private Limited<br>Fortis Health Management Limited<br>Fortis Healthcare Holdings Private Limited<br>Fortis Healthcare Limited<br>Fortis Healthstaff Limited<br>Fortis Hospital Management Limited<br>Fortis Hospitals Limited<br>Fortis Hospotel Limited<br>Fortis Malar Hospitals Limited<br>Healthfore Technologies Limited<br>Hiranandai Healthcare Private Limited<br>Hospitalia Eastern Private Limited<br>International Hospital Limited<br>Ligare Aviation Limited<br>Luxury Farms Private Limited<br>Malav Holdings Private Limited<br>Oscar Investments Limited<br>R C Nursery Private Limited<br>Ranchem Private Limited<br>RHC Finance Private Limited<br>RHC Holding Private Limited |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Nature of Relationship |   | Name of Party   |
|------------------------|---|---|
| (e)                    | Post-Employment Benefit Plan                | RWL Healthworld Limited   |
|                        |   | Shimal Healthcare Private Limited   |
|                        |   | Shimal Research Laboratories Limited  |
|                        |   | Shivi Holding Private Limited   |
|                        |   | Spectrum Voyages Private Limited (formerly known as Ligare Travels Limited)                                 |
|                        |   | SRL Diagnostics Private Limited   |
|                        |   | SRL Limited   |
|                        |   | Todays Holdings Private Limited   |
|                        |   | Vistas Artworks Private Limited   |
|                        |   | Religare Art Fund Pratham-Trust   |
| (f)                    | Subsidiaries / Subsidiaries of Subsidiary * | Religare Housing Development Finance Corporation Limited Group Gratuity Scheme                              |
|                        |   | Religare Finvest Limited Group Gratuity Scheme  |
|                        |   | Religare Enterprises Limited Group Gratuity Trust   |
|                        |   | Religare Capital Markets Limited  |
|                        |   | Religare Capital Markets (Hong Kong) Limited  |
|                        |   | Religare Capital Markets (India) Limited (till December 29, 2017)   |
|                        |   | Religare Capital Markets International (Mauritius) Limited  |
|                        |   | Religare Capital Markets International (UK) Limited (till March 3, 2019)                                    |
|                        |   | Religare Capital Markets (Europe) Limited   |
|                        |   | Religare Capital Markets (UK) Limited   |
|                        |   | Religare Capital Markets Corporate Finance Pte Limited  |
|                        |   | Tobler (UK) Limited   |
|                        |   | Kyte Management Limited   |
|                        |   | Religare Capital Markets (Singapore) Pte Limited  |
|                        |   | Bartleet Wealth Management (Private) Limited (formerly Religare Bartleet Capital Markets (Private) Limited) |
|                        |   | Bartleet Asset Management (Private) Limited   |
|                        |   | Strategic Research Limited  |
|                        |   | Bartleet Religare Securities (Private) Limited  |
|                        |   | Religare Capital Markets Inc.   |

\* Refer Note 2.2 (C)



(Amount in ₹ lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business at arm's length basis:

| Nature of Transactions  | Name of the Related Party        | RP Type | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|---|----------------------------------|---------|--|--|
| <b>FINANCING TRANSACTIONS</b>   |                                  |         |  |  |
| Inter Corporate Loans Given   |                                  |         |  |  |
|   | ANR Securities Private Limited   | d       | -  | 750.00                                     |
|   | Religare Capital Markets Limited | f       | -  | 670.27                                     |
|   | RHC Holding Private Limited      | d       | -  | 19,900.00                                  |
| <b>Inter Corporate Loans Given Total</b>  |                                  |         | -  | 21,320.27                                  |
| Inter Corporate Loans Received Back   |                                  |         |  |  |
|   | ANR Securities Private Limited   | d       | -  | 872.38                                     |
|   | Oscar Investments Limited        | d       | -  | 2,500.00                                   |
|   | Religare Capital Markets Limited | f       | -  | 23.00                                      |
|   | RHC Holding Private Limited      | d       | -  | 19,970.00                                  |
| <b>Inter Corporate Loans Received Back Total</b>  |                                  |         | -  | 23,365.38                                  |
| Preferential Allotment of Equity Shares / Issuance of Equity Shares' Warrants of the Company              |                                  |         |  |  |
|   | Mr. Ashok Mehta                  | c       | 2,500.00                                   | -  |
| <b>Preferential Allotment of Equity Shares / Issuance of Equity Shares' Warrants of the Company Total</b> |                                  |         | 2,500.00                                   | -  |
| <b>INVESTMENTS TRANSACTIONS</b>   |                                  |         |  |  |
| Purchase of Bonds / Commercial Papers   |                                  |         |  |  |
|   | RHC Holding Private Limited      | d       | -  | 29,362.13                                  |
| <b>Purchase of Bonds / Commercial Papers Total</b>  |                                  |         | -  | 29,362.13                                  |
| Sale of Bonds / Commercial Papers   |                                  |         |  |  |
|   | RHC Holding Private Limited      | d       | -  | 45,000.00                                  |
| <b>Sale of Bonds / Commercial Papers Total</b>  |                                  |         | -  | 45,000.00                                  |
| <b>OTHER RECEIPTS AND PAYMENTS</b>  |                                  |         |  |  |
| Purchase of Fixed Asset   |                                  |         |  |  |
|   | Dion Global Solutions Limited    | d       | -  | 0.07                                       |
|   | Religare Capital Markets Limited | f       | -  | 3.88                                       |
| <b>Purchase of Fixed Asset Total</b>  |                                  |         | -  | 3.95                                       |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions   | Name of the Related Party                 | RP Type | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|--|---|---------|--|--|
| Insurance Claims Payment   |   |         |  |  |
|  | DDRC SRL Diagnostics Private Limited      | d       | -  | 1.78                                       |
|  | Escorts Heart Institute & Research Centre | d       | -  | 65.38                                      |
|  | Fortis C-Doc Healthcare Limited           | d       | -  | 18.36                                      |
|  | Fortis Charitable Foundation              | d       | -  | 0.14                                       |
|  | Fortis Health Management Limited          | d       | -  | 12.49                                      |
|  | Fortis Healthcare Limited                 | d       | -  | 102.81                                     |
|  | Fortis Hospitals Limited                  | d       | -  | 874.07                                     |
|  | Fortis Malar Hospitals Limited            | d       | -  | 11.69                                      |
|  | Hiranandai Healthcare Private Limited     | d       | -  | 42.17                                      |
|  | RHC Holding Private Limited               | d       | -  | 2.25                                       |
|  | SRL Limited                               | d       | -  | 93.26                                      |
| <b>Insurance Claims Payment Total</b>  |   |         | -  | 1,224.40                                   |
| Insurance Premium Received in Advance  |   |         |  |  |
|  | Mr. Anuj Gulati                           | c       | 0.29                                       | -  |
|  | Dion Global Solutions Limited             | d       | -  | 4.56                                       |
|  | Religare Capital Markets Limited          | f       | -  | 2.91                                       |
| <b>Insurance Premium Received in Advance Total</b>                           |   |         | 0.29                                       | 7.47                                       |
| Reimbursement of Statutory Liabilities (on behalf of employees)              |   |         |  |  |
|  | SRL Limited                               | d       | -  | 2.90                                       |
| <b>Reimbursement of Statutory Liabilities (on behalf of employees) Total</b> |   |         | -  | 2.90                                       |
| Receipt of Insurance Premium   |   |         |  |  |
|  | Dion Global Solutions Limited             | d       | -  | 41.80                                      |
|  | Mr. Anuj Gulati                           | c       | 0.41                                       | 0.11                                       |
|  | Religare Capital Markets Limited          | f       | 0.55                                       | 0.82                                       |
| <b>Receipt of Insurance Premium Total</b>                                    |   |         | 0.96                                       | 42.73                                      |
| Refund of Insurance Premium  |   |         |  |  |
|  | Fortis Charitable Foundation              | d       | -  | 0.03                                       |
|  | RHC Holding Private Limited               | d       | -  | 1.23                                       |
| <b>Refund of Insurance Premium Total</b>                                     |   |         | -  | 1.26                                       |
| Security Deposits Given (for appointment of directors)                       |   |         |  |  |
|  | Religare Capital Markets Limited          | f       | -  | 1.00                                       |





| Nature of Transactions  | Name of the Related Party                  | RP Type | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|---|--|---------|--|--|
| <b>Security Deposits Given (for appointment of directors) Total</b>               |  |         | -  | 1.00                                       |
| Security Deposits Given (for appointment of directors) Received Back              |  |         |  |  |
|   | Religare Capital Markets Limited           | f       | -  | 1.00                                       |
| <b>Security Deposits Given (for appointment of directors) Received Back Total</b> |  |         | -  | 1.00                                       |
| Advance given for Settlement of Corporate Guarantee                               |  |         |  |  |
|   | Religare Capital Markets Limited           | f       | -  | 1,326.50                                   |
| <b>Advance given for Settlement of Corporate Guarantee Total</b>                  |  |         | -  | 1,326.50                                   |
| <b>INCOME</b>   |  |         |  |  |
| Brokerage Earned  |  |         |  |  |
|   | Ms. Sanjana Manglik                        | c       | 0.01                                       | -  |
| <b>Brokerage Earned Total</b>   |  |         | 0.01                                       | -  |
| Depository Charges  |  |         |  |  |
|   | A-1 Book Company Private Limited           | d       | -  | 0.01                                       |
|   | ANR Securities Private Limited             | d       | -  | 0.01                                       |
|   | Bindas Realtors Private Limited            | d       | -  | 0.01                                       |
|   | Dion Global Solutions Limited              | d       | -  | 0.03                                       |
|   | Fortis Clinical Research Limited           | d       | -  | 0.01                                       |
|   | Fortis Global Healthcare Private Limited   | d       | -  | 0.01                                       |
|   | Fortis Healthcare Holdings Private Limited | d       | -  | 0.16                                       |
|   | Fortis Healthcare Limited                  | d       | -  | 0.03                                       |
|   | Fortis Healthstaff Limited                 | d       | -  | 0.01                                       |
|   | Fortis Hospital Management Limited         | d       | -  | 0.05                                       |
|   | Fortis Hospitals Limited                   | d       | -  | 0.02                                       |
|   | Fortis Hospotel Limited                    | d       | -  | 0.01                                       |
|   | Fortis Malar Hospitals Limited             | d       | -  | 0.01                                       |
|   | Luxury Farms Private Limited               | d       | -  | 0.02                                       |
|   | Malav Holdings Private Limited             | d       | -  | 0.02                                       |
|   | Mr. Anhad Parvinder Singh                  | a       | -  | 0.01                                       |
|   | Mr. Kabir Parvinder Singh                  | a       | -  | 0.01                                       |
|   | Mr. Malvinder Mohan Singh                  | a       | -  | 0.06                                       |
|   | Mr. Shivinder Mohan Singh                  | a       | -  | 0.03                                       |
|   | Mr. Udayveer Parvinder Singh               | a       | -  | 0.01                                       |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions                                 | Name of the Related Party            | RP Type | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|--|--------------------------------------|---------|--|--|
|  | Mr. Vivan Parvinder Singh            | a       | -  | 0.01                                       |
|  | Ms. Aditi Shivinder Singh            | a       | -  | 0.01                                       |
|  | Ms. Japna Malvinder singh            | a       | -  | 0.01                                       |
|  | Ms. Nimmi Singh                      | a       | -  | 0.01                                       |
|  | Ms. Nimrita Parvinder Singh          | a       | -  | 0.01                                       |
|  | Oscar Investments Limited            | d       | -  | 0.03                                       |
|  | R C Nursery Private Limited          | d       | -  | 0.01                                       |
|  | Ranchem Private Limited              | d       | -  | 0.01                                       |
|  | Religare Capital Markets Limited     | f       | 0.15                                       | 0.15                                       |
|  | RHC Finance Private Limited          | d       | -  | 0.11                                       |
|  | RHC Holding Private Limited          | d       | -  | 0.12                                       |
|  | RWL Healthworld Limited              | d       | -  | 0.02                                       |
|  | Shimal Healthcare Private Limited    | d       | -  | 0.01                                       |
|  | Shimal Research Laboratories Limited | d       | -  | 0.01                                       |
|  | Shivi Holding Private Limited        | d       | -  | 0.02                                       |
|  | SRL Diagnostics Private Limited      | d       | -  | 0.01                                       |
|  | SRL Limited                          | d       | -  | 0.02                                       |
|  | Todays Holdings Private Limited      | d       | -  | 0.01                                       |
|  | Vistas Artworks Private Limited      | d       | -  | 0.01                                       |
| <b>Depository Charges Total</b>                        |                                      |         | <b>0.15</b>                                | <b>1.12</b>                                |
| Interest Income on Inter Corporate Loans               |                                      |         |  |  |
|  | ANR Securities Private Limited       | d       | -  | 224.86                                     |
|  | Ligare Aviation Limited              | d       | -  | 34.57                                      |
|  | Oscar Investments Limited            | d       | -  | 86.30                                      |
|  | Religare Capital Markets Limited     | f       | 79.55                                      | 87.83                                      |
|  | RHC Holding Private Limited          | d       | -  | 654.54                                     |
| <b>Interest Income on Inter Corporate Loans Total</b>  |                                      |         | <b>79.55</b>                               | <b>1,088.10</b>                            |
| Lease Rental Income                                    |                                      |         |  |  |
|  | Religare Capital Markets Limited     | f       | 0.61                                       | 0.60                                       |
| <b>Lease Rental Income Total</b>                       |                                      |         | <b>0.61</b>                                | <b>0.60</b>                                |
| Expenses Reimbursement by Other Companies              |                                      |         |  |  |
|  | Religare Capital Markets Limited     | f       | 1.39                                       | 141.70                                     |
|  | SRL Limited                          | d       | -  | 1.36                                       |
| <b>Expenses Reimbursement by Other Companies Total</b> |                                      |         | <b>1.39</b>                                | <b>143.06</b>                              |
| Support Service Income                                 |                                      |         |  |  |
|  | Religare Capital Markets Limited     | f       | -  | 9.82                                       |
| <b>Support Service Income Total</b>                    |                                      |         | <b>-</b>                                   | <b>9.82</b>                                |
| Interest Earned on Commercial Papers                   |                                      |         |  |  |



| Nature of Transactions                                | Name of the Related Party       | RP Type | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|---|---------------------------------|---------|--|--|
|   | RHC Holding Private Limited     | d       | -  | 786.02                                     |
| <b>Interest Earned on Commercial Papers Total</b>     |                                 |         | -  | 786.02                                     |
| <b>EXPENSES</b>                                       |                                 |         |  |  |
| Remuneration to Key Management Personnel              |                                 |         |  |  |
|   | Mr. Anil Saxena                 | c       | <b>1,931.26</b>                            | 1,311.31                                   |
|   | Mr. Anuj Gulati                 | c       |  |  |
|   | Mr. Francis Danial Lee          | c       |  |  |
|   | Mr. Kavi Arora                  | c       |  |  |
|   | Mr. Krishnan Subramanian        | c       |  |  |
|   | Mr. Maninder Singh              | c       |  |  |
|   | Mr. Subramanian Lakshminaraynan | c       |  |  |
|   | Mr. Sunil Godhwani              | c       |  |  |
|   | Mr. Jayant Manglik              | c       |  |  |
|   | Mr. Nitin Jain                  | c       |  |  |
|   | Mr. Nitin Aggarwal              | c       |  |  |
|   | Mr. Tirlockee Chauhan           | c       |  |  |
|   | Mr. Sanjay D Palve              | c       |  |  |
|   | Mr. Gaurav Kaushik              | c       |  |  |
|   | Mr. Kamal Kumar Kaushik         | c       |  |  |
|   | Mr. Gourav Mardia               | c       |  |  |
|   | Mr. Milind Narendra Patel       | c       |  |  |
| <b>Remuneration to Key Management Personnel Total</b> |                                 |         | <b>1,931.26</b>                            | 1,311.31                                   |
| Director's Sitting Fees                               |                                 |         |  |  |
|   | Mr. Deepak Sabnani              | c       | <b>1.00</b>                                | 5.00                                       |
|   | Mr. Malay Kumar Sinha           | c       | <b>34.20</b>                               | -  |
|   | Mr. Malvinder Mohan Singh       | a       | -  | 2.50                                       |
|   | Mr. Rama Krishna Shetty         | c       | <b>5.20</b>                                | 24.20                                      |
|   | Mr. Shivinder Mohan Singh       | a       | -  | 1.29                                       |
|   | Mr. Sushil Chandra Tripathi     | c       | <b>21.20</b>                               | -  |
|   | Mr. Vikram Talwar               | c       | <b>16.00</b>                               | 3.20                                       |
|   | Ms. Sabina Vaisoha              | c       | <b>16.40</b>                               | 8.40                                       |
|   | Dr. Manjushree Ghodke           | c       | <b>2.00</b>                                | -  |
|   | Mr. Padam Bahl                  | c       | <b>1.40</b>                                | 23.20                                      |
|   | Mr. Avinash Chander Mahajan     | c       | -  | 12.80                                      |
|   | Ms. Vijayalakshmi Rajaram Iyer  | c       | <b>29.40</b>                               | -  |
|   | Dr. Rashmi Saluja               | c       | <b>5.80</b>                                | -  |
|   | Mr. Ashok Chothuram Mehta       | c       | -  | 1.00                                       |
|   | Mr. Harpal Singh                | c       | -  | 2.25                                       |
|   | Mr. Kishori Udeshi              | c       | -  | 1.00                                       |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions                                     | Name of the Related Party  | RP Type | For the<br>Year Ended on<br>March 31, 2019 | For the<br>Year Ended on<br>March 31, 2018 |
|--|--|---------|--|--|
|  | Mr. Rashi Dhir   | c       | -  | 8.00                                       |
|  | Ms. Sangeeta Talwar  | c       | -  | 5.00                                       |
|  | Mr. Sanjeev Chaudhary  | c       | -  | 0.20                                       |
|  | Mr. Satwinder Singh  | c       | -  | 1.50                                       |
|  | Mr. Sunil Aggarwal   | c       | -  | 0.10                                       |
|  | Mr. Tejpreet Singh Chopra  | c       | -  | 2.00                                       |
|  | Mr. Vijaya Bhaskar Pedomallu   | c       | -  | 2.00                                       |
|  | Mr. Vikrant Pachnanda  | c       | -  | 0.75                                       |
|  | Mr. Virendra Kumar Madan   | c       | -  | 2.04                                       |
|  | Mr. Vivek Goyal  | c       | -  | 0.75                                       |
| <b>Director's Sitting Fees Total</b>                       |  |         | <b>132.60</b>                              | 107.18                                     |
| Support Service Expenses                                   |  |         |  |  |
|  | Religare Capital Markets (Hong Kong) Limited                                   | f       | -  | 98.61                                      |
| <b>Support Service Expenses Total</b>                      |  |         | -  | 98.61                                      |
| Allocation of Expenses by Other Companies                  |  |         |  |  |
|  | RHC Holding Private Limited  | d       | -  | 32.78                                      |
| <b>Allocation of Expenses by Other Companies Total</b>     |  |         | -  | 32.78                                      |
| Expenses Reimbursement to Other Companies                  |  |         |  |  |
|  | Dion Global Solutions Limited  | d       | -  | 55.57                                      |
|  | Religare Capital Markets Limited   | f       | <b>0.38</b>                                | 7.50                                       |
|  | RHC Holding Private Limited  | d       | -  | 203.49                                     |
|  | RWL Healthworld Limited  | d       | -  | 0.00                                       |
| <b>Expenses Reimbursement to Other Companies Total</b>     |  |         | <b>0.38</b>                                | 266.56                                     |
| Technical and Professional Expenses                        |  |         |  |  |
|  | Dion Global Solutions Limited  | d       | -  | 8.21                                       |
| <b>Technical and Professional Expenses Total</b>           |  |         | -  | 8.21                                       |
| Contribution to Post Employment Benefit Plans              |  |         |  |  |
|  | Religare Housing Development Finance Corporation Limited Group Gratuity Scheme | e       | <b>27.56</b>                               | 25.81                                      |
|  | Religare Finvest Limited Group Gratuity Scheme                                 | e       | <b>27.53</b>                               | 192.06                                     |
|  | Religare Enterprises Limited Group Gratuity Trust                              | e       | <b>2,262.00</b>                            | 4,679.00                                   |
| <b>Contribution to Post Employment Benefit Plans Total</b> |  |         | <b>2,317.09</b>                            | 4,896.87                                   |



(Amount in ₹ lakhs, unless otherwise stated)

## Outstanding Balances:

| Nature of Transactions                        | Name of the Related Party                    | RP Type | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|---|--|---------|----------------------|----------------------|---------------------|
| <b>OUTSTANDING BALANCES</b>                   |  |         |                      |                      |                     |
| <b>PAYABLES</b>                               |  |         |                      |                      |                     |
| Outstanding Debentures Issued                 |  |         |                      |                      |                     |
|   | Mr. Kavi Arora                               | c       | -                    | -                    | 4.00                |
| <b>Outstanding Debentures Issued Total</b>    |  |         | -                    | -                    | 4.00                |
| Interest Payable on Debentures                |  |         |                      |                      |                     |
|   | Mr. Kavi Arora                               | c       | -                    | -                    | 2.82                |
| <b>Interest Payable on Debentures Total</b>   |  |         | -                    | -                    | 2.82                |
| Security Deposits Payable                     |  |         |                      |                      |                     |
|   | Religare Capital Markets Limited             | f       | 2.30                 | 2.30                 | 2.30                |
| <b>Security Deposits Payable Total</b>        |  |         | 2.30                 | 2.30                 | 2.30                |
| Other Payables                                |  |         |                      |                      |                     |
|   | Finserve Shared Services Limited             | d       | -                    | -                    | 126.33              |
|   | Fortis Hospitals Limited                     | d       | -                    | -                    | 0.01                |
|   | Ligare Aviation Limited                      | d       | -                    | -                    | 69.12               |
|   | Mr. Shivinder Mohan Singh                    | a       | -                    | -                    | 0.25                |
|   | Mr. Surath Singh                             | a       | -                    | -                    | 0.31                |
|   | Religare Capital Markets (Hong Kong) Limited | f       | 56.14                | 201.43               | 101.72              |
|   | Religare Capital Markets Limited             | f       | 4.31                 | 6.20                 | 10.18               |
|   | Spectrum Voyages Private Limited             | d       | -                    | -                    | 0.09                |
|   | SRL Limited                                  | d       | -                    | 0.61                 | 4.85                |
| <b>Other Payables Total</b>                   |  |         | 60.45                | 208.24               | 312.86              |
| <b>RECEIVABLES</b>                            |  |         |                      |                      |                     |
| Inter Corporate Loans Receivable              |  |         |                      |                      |                     |
|   | ANR Securities Private Limited               | d       | -                    | -                    | 7,100.00            |
|   | Oscar Investments Limited                    | d       | -                    | -                    | 2,500.00            |
|   | Religare Capital Markets Limited             | f       | 901.60               | 913.60               | 266.33              |
|   | RHC Holding Private Limited                  | d       | -                    | -                    | 9,900.00            |
|   | Spectrum Voyages Private Limited             | d       | -                    | -                    | 382.37              |
|   | Religare Art Fund Pratham-Trust              | d       | -                    | -                    | 1.72                |
| <b>Inter Corporate Loans Receivable Total</b> |  |         | 901.60               | 913.60               | 20,150.42           |



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions   | Name of the Related Party          | RP Type | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|--|------------------------------------|---------|----------------------|----------------------|---------------------|
| Interest Receivable on Inter Corporate Loans                           |                                    |         |                      |                      |                     |
|  | ANR Securities Private Limited     | d       | -                    | -                    | 127.62              |
|  | Oscar Investments Limited          | d       | -                    | -                    | 78.63               |
|  | Religare Capital Markets Limited   | f       | 295.49               | 253.19               | 223.91              |
|  | RHC Holding Private Limited        | d       | -                    | -                    | 10.25               |
|  | Spectrum Voyages Private Limited   | d       | -                    | -                    | 30.80               |
| <b>Interest Receivable on Inter Corporate Loans Total</b>              |                                    |         | <b>295.49</b>        | 253.19               | 471.21              |
| Commercial Papers-Receivable   |                                    |         |                      |                      |                     |
|  | RHC Holding Private Limited        | d       | -                    | -                    | 14,835.39           |
| <b>Commercial Papers-Receivable Total</b>                              |                                    |         | -                    | -                    | 14,835.39           |
| Interest Receivable on Commercial Papers                               |                                    |         |                      |                      |                     |
|  | RHC Holding Private Limited        | d       | -                    | -                    | 16.46               |
| <b>Interest Receivable on Commercial Papers Total</b>                  |                                    |         | -                    | -                    | 16.46               |
| Expected Credit Loss on Outstanding Inter Corporate Loans              |                                    |         |                      |                      |                     |
|  | Oscar Investments Limited          | d       | -                    | -                    | 11.86               |
| <b>Expected Credit Loss on Outstanding Inter Corporate Loans Total</b> |                                    |         | -                    | -                    | 11.86               |
| Trade Receivable   |                                    |         |                      |                      |                     |
|  | Dion Global Solutions Limited      | d       | -                    | -                    | 16.92               |
|  | Finserve Shared Services Limited   | d       | -                    | -                    | 38.23               |
|  | Fortis Health Management Limited   | d       | -                    | -                    | 0.01                |
|  | Fortis Healthcare Limited          | d       | -                    | -                    | 0.03                |
|  | Fortis Healthstaff Limited         | d       | -                    | -                    | 0.02                |
|  | Fortis Hospotel Limited            | d       | -                    | -                    | 0.04                |
|  | Fortis Malar Hospitals Limited     | d       | -                    | -                    | 0.02                |
|  | Hospitalia Eastern Private Limited | d       | -                    | -                    | 0.01                |
|  | International Hospital Limited     | d       | -                    | -                    | 0.03                |
|  | Religare Capital Markets Limited   | f       | 0.57                 | 0.42                 | 0.25                |
|  | RWL Healthworld Limited            | d       | -                    | -                    | 0.02                |
|  | SRL Diagnostics Private Limited    | d       | -                    | -                    | 0.04                |
| <b>Trade Receivable Total</b>  |                                    |         | <b>0.57</b>          | 0.42                 | 55.62               |



| Nature of Transactions   | Name of the Related Party        | RP Type | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
|--|----------------------------------|---------|----------------------|----------------------|---------------------|
| Advance given for Settlement of Corporate Guarantee              |                                  |         |                      |                      |                     |
|  | Religare Capital Markets Limited | f       | 1,326.50             | 1,326.50             | -                   |
| <b>Advance given for Settlement of Corporate Guarantee Total</b> |                                  |         | <b>1,326.50</b>      | 1,326.50             | -                   |
| Other Receivables  |                                  |         |                      |                      |                     |
|  | Dion Global Solutions Limited    | d       | -                    | -                    | 0.36                |
|  | Finserve Shared Services Limited | d       | -                    | -                    | 3.66                |
|  | Healthfore Technologies Limited  | d       | -                    | -                    | 0.08                |
|  | Religare Capital Markets Limited | f       | 544.69               | 571.01               | 371.33              |
|  | RHC Holding Private Limited      | d       | -                    | -                    | 60.05               |
|  | Spectrum Voyages Private Limited | d       | -                    | -                    | 9.54                |
| <b>Other Receivables Total</b>                                   |                                  |         | <b>544.69</b>        | 1,897.50             | 445.02              |

## 55. Financial Risk Management

The Group business activities are exposed to a variety of financial risks, namely liquidity risk, market risks, credit risk and operational risk. The Board of Directors ("Board") of the respective Group companies has the overall responsibility for establishing and governing the risk management framework. The Board has constituted a Risk Management Committee, which is responsible for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Risk Management Unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. This unit works closely with and reports to the Risk Management Committee, to ensure that procedures are compliant with the overall framework.

The Risk Management Unit along with independent functions Compliance, FCU, Technical Teams is responsible for monitoring compliance with risk principles, policies and limits across the Group. The Group companies have their own unit which is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks of new products and structured transactions. It is the Group's policy that this unit also ensures the complete capture of risks in its risk measurement and reporting systems. The Group's policy also requires that exceptions are reported periodically, where necessary, to the Risk Management Committee, and the relevant actions are taken to address exceptions and any areas of weakness.

Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's / company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's / company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews. Group also has in place 'Staff Accountability Policy' which is to monitor the employees performance.

The Group's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans given, trade and other receivables, investments and cash and cash equivalents that arises directly from its operations.





### (A) Liquidity Risk

Liquidity risk arises where the Group is unable to meet its obligations as and when they arise. Liquidity risk may be measured at a structural level and cash flow level. In NBFC companies to manage structural liquidity level, the Asset Liability Management Policy ("ALM Policy") envisages adherence to certain key ratios and gap limits in normal business and under stressed market conditions and to manage liquidity risk at cash flow level, the ALM Policy envisages adherence to certain gap limits based on dynamic liquidity forecasts. Maintaining an optimal balance sheet structure and cash flow patterns shall be the cornerstone of the liquidity risk management strategy. Please refer Note 45 for Maturity pattern of certain items of Assets and Liabilities.

### (B) Market Risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and borrowings.

The Group's exposure to market risk is a function of loans given, investment and borrowing activities and revenue generating in foreign currencies. The objective of market risk management is to avoid excessive exposure of the Group's earnings and equity to losses.

The Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

#### (i) Price Risk, Insurance Risk, Product Risk and Prepayment Risk

- The Group is mainly exposed to the price risk due to its investment in debt securities, government securities, mutual funds, etc. The price risk arises due to uncertainties about the future market values of these investments.

As at March 31, 2019, the investments in such instruments amounts to Rs 153,919 Lakhs (March 31, 2018: Rs 123,208 Lakhs and April 1, 2017: Rs 135,399 Lakhs). These are exposed to price risk.

The Group has laid policies and guidelines which it adheres to in order to minimise pricing risk arising from investments. One of the major group company is in the business of providing health insurance where investments are subject to the rules stipulated by IRDA.

- w.r.t. health insurance business:

Insurance risk refers to inherent uncertainties as to the occurrence, bad portfolio, amount and timing of insurance liabilities. Product risk is the risk associated from developing and distributing new products. This includes the risk that the product features do not conform to regulatory requirements, are not supported by the system and / or the product terms and conditions are not transparent or misleading for the customers. The pricing risk results where the products are either not profitable or the pricing is uncompetitive or unfair. It also results when assumptions with respect to liabilities / claims, costs and returns associated with the sale of a product are inaccurately estimated. To mitigate this the same is constantly reviewed by appointed actuary who suggests changes in price in case of these risk.

Subsidiary also defines underwriting guidelines for each product including the non medical limits for different age categories.

- w.r.t. NBFC:

Prepayment risk is the risk that the company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.

The NBFC companies use regression models to project the impact of varying levels of prepayment on its net interest income. The model makes a distinction between the different reasons for repayment (e.g., relocation, refinancing and renegotiation) and takes into account the effect of any prepayment penalties. The model is back tested against actual outcomes.

**(ii) Foreign Exchange Risk**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates.

The Group's exposure to the risk of changes in foreign exchange rates relates to foreign currency vendor payments. Foreign currency exposure of the Group is not significant considering the size and nature of business.

**(iii) Interest Rate Risk**

The Group is exposed to interest rate risk which is likely to arise due to a fundamental duration mismatch of assets and liabilities, on account of short term gap between disbursements and raising the matching liability. Additionally, mismatches between floating and fixed assets and liabilities are expected to enhance interest rate risk. Since the Group relies on bank finance for funding and it finds it difficult to pass the revision in base rates by banks to customers immediately, general increase in interest rates is likely to affect the NIMs of the NBFC companies. Containing duration mismatches and maintaining an equitable mix of fixed - floating assets and liabilities shall be the cornerstone of interest rate risk management strategy.

**(C) Credit Risk**

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations and by monitoring exposures in relation to such limits.

In NBFC companies of the Group, credit risk is monitored by the credit risk department of the respective company's independent Risk Management Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

NBFC companies has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

**(D) Operational Risk**

Operational risk is the risk of loss arising through fraud, unauthorized activities, error, omission, inefficiency, systems failure or from external events. It is inherent to every business organization and covers a wide spectrum of issues. The terms error, omission and inefficiency includes process failures, systems / machine failures and human error. Operational risk also includes compliance risks and distribution risks.

The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Further, grievance and customers complaints are reviewed on periodic basis.

**(E) Compliance Regulatory Legal Risk**

Compliance Regulatory Legal Risk is the risk arising from non-adherence to prescribed law in force, regulations, policies, procedures and guidelines which may give rise to regulatory actions, litigations, deficiency in product or services depending on the level of non-adherence. The corporate governance function is primarily designed to avoid incurrence of compliance-regulatory-legal risk.

**(F) Strategic Business Risk**

Strategic risks are basically those risk which are typically managed by the top management group and are tactical in nature such as continue or discontinue a product line, scaling up or down the business, major investment decision, key borrowings, mergers or acquisitions etc.



### (G) Reputational Risk

REL is also exposed to reputation risk arising from failures in governance, business strategy and process, regulatory-compliance and legal risk. These risks are generally covered under Operational risks. Reputational risk is the risk of potential damage to the Group due to deterioration of its reputation. The reputation of the Group may suffer as a result of its failure to comply with laws, regulations, rules, reporting requirements, standards and codes of conduct applicable to its activities, rather than compliance with the internal limits or procedures. Proactive measures to minimize the risk of losing reputation could be a sound risk management framework, good corporate governance high level ethics and integrity, rigorous anti money laundering procedures, good business practices and reporting of all breaches which lead to reputational risk to the attention of senior management and the board.

Management of subsidiaries and support functions of REL should take into consideration above basic risk categorization and devise their own risk cum control matrix for each of the product line, segment, business and operations.

### 56. Capital Management

The Group's objectives when managing capital are to:

- # safeguard their ability to continue as going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders;

- # maintain an optimal capital structure to reduce the cost of capital;

- # ensure compliances with regulatory capital requirements; and

- # maintain strong credit ratings and healthy capital ratios in order to support its business.

In order to maintain and adjust the capital structure the group issues new shares and / or sells assets to reduce debts.

For the purposes of the different companies' capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Consistent with other in industries, the group companies monitor capital on the basis of different gearing ratios. Further, most of the group companies are regulated entities and it is necessary that they have sufficient capital and / or net worth to meet the regulatory requirements. All regulated companies ensure adherence to regulatory requirements with a safety margin. However, Capital to Risk Weighted Assets Ratio ("CRAR") of Religare Finvest Limited, as on March 31, 2019, is below the prescribed limit.

### 57. Other Notes

#### (a) The Micro, Small And Medium Enterprises Development ("MSMED") Act, 2006:

Rs 47.03 Lakhs was outstanding to Micro, Small and Medium Enterprises as at March 31, 2019 (March 31, 2018: Nil and April 1, 2017: Nil). No amount was over due (i.e. outstanding for more than 45 days) during the years for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

- (b) Subsequent to the year end, in May, 2019, ICRA and India Ratings and Research ("IND RA") have downgraded the credit rating of Religare Finvest Limited ("RFL"), a subsidiary of the Company, for various Long Term Bank Loans and Bank Limits to category D. Further, IND RA has revised the credit ratings of RFL for its Lower Tier 2 sub-debt facility from IND B+/RWN to IND C. The rating revision follows the recent delays in debt servicing by RFL. While RFL had sufficient cash / bank balances of Rs 130 crores as on April 30, 2019 as compared with the principal repayment due of Rs 63.68 crores for the month, it did not repay the principal due for the month even though their proposed resolution plan is yet to be approved and implemented by the lenders.

Given the mismatches in the Assets Liabilities Mismatch ("ALM"), RFL had earlier proposed to implement a debt resolution plan with its lenders and the same was discussed at the Joint Lenders Meeting ("JLM") on March 07, 2019, wherein April 1, 2019 was decided to be the Reference Date for Holding On Operations. As a part of the resolution plan, RFL had proposed to service only the interest on its borrowings and not the Principal due.

- (c) The NBFCs in the group have disbursed loans against mortgage of properties, and the borrowers have assigned their lease rentals, fees, credit card receivable, project receivable etc. through escrow towards repayment of EMIs/ installments. The borrowers have opened their accounts with certain banks under escrow to the NBFC companies. The aforesaid escrow accounts do not form part of these financial statements.



- (d) Securities received from clients by the subsidiaries of the Company in the business of stock broking, as collateral for margins, are held by the subsidiary companies in its own name in a fiduciary capacity.
- (e) In the matter of Settlement Application filed by the Company with SEBI for the show cause notice dated July 05, 2018 for delay in filing of disclosures in terms of regulation 7(2)(a) of PIT Regulations, 2015 w.r.t. dealing in securities of the Company by Mr. Sunil Godhwani, the settlement terms as requested by the Company have been approved by the SEBI, vide Settlement Order dated January 17, 2019 and accordingly disposed off the Adjudication Proceedings initiated vide above mentioned show cause notice. The Company has paid Rs 2 Lakhs as consent fees.
- (f) The Company has received a letter dated February 28, 2018 from Serious Fraud Investigation Office ("SFIO"), Ministry of Corporate Affairs ("MCA"), Government of India, intimating the Company that the MCA has ordered an investigation into the affairs of the Company by the SFIO. The investigation is going on as on date and information sought by SFIO for the Company and its subsidiaries through various communications is being provided.
- (g) The Board of Directors had appointed Mr. Subramanian Lakshminarayanan and Mr. Francis Daniel Lee as Executive Chairman and Executive Director on November 14, 2017 and November 17, 2017 respectively subject to approval of shareholders. They ceased to be Executive Directors of the Company w.e.f. January 22, 2018 and January 24, 2018 respectively. The shareholders of the Company at the Annual General Meeting held on September 20, 2018 didn't accord approval for payment of remuneration to above said directors for their tenure as Executive Directors. Accordingly, under section 197(9) of Companies Act, 2013, the Company has sent notices for refund the remuneration of Rs 82.61 Lakhs & Rs 4.36 Lakhs paid to them respectively. They have not refunded the amount till date. The Company is exploring all the legal options to recover the amount. The same will be accounted for on realisation thereof.
- (h) In the matter of Application dated January 16, 2019 submitted by the Company with the stock exchanges for the Re-classification of Promoters and Promoters Group into Public Shareholders category, NSE advised the Company to justify the compliance of erstwhile Reg. 31A(6)(i) of SEBI (LODR) Regulations, 2015 in response to our Application filed on January 16, 2019 with the stock exchanges. Accordingly, the Company submitted an Application dated April 15, 2019 with SEBI seeking for an exemption from strict application of one of the conditions mentioned in erstwhile Regulation 31A(6) in relation to re-classification of existing Promoters and Promoters Group of Religare Enterprises Limited to Public Shareholders. The response of SEBI on the application is currently awaited.
- (i) "Religare Advisors Limited, a wholly owned subsidiary of Religare Broking Limited ("RBL"), a wholly owned subsidiary of the Company has defaulted in the redemption of 2,500,000, 0.01% Cumulative Non-Convertible Redeemable Preference Shares held by RBL. These shares were due for redemption on March 4, 2019 [ 1,000,000 Shares] and March 26, 2019 [ 1,500,000 Shares].

As per the provisions of Companies Act, 2013, Preference Shares can be redeemed either from (i) Profits available for distribution to its shareholders as Dividend (ii) Proceeds of shares issued solely for the purpose of funding the redemption of the preference shares. In light of the negative reserves and surplus or other equity, the Religare Advisors Limited couldn't redeem its Preferences shares due for redemption on March 4, 2019 and March 26, 2019 respectively.

The management of Religare Advisors Limited had taken a decision to not to carry on any commercial operations from April 1, 2017 in RAL. Accordingly the financial statements of RAL have not been prepared under the going concern assumption and all assets and liabilities have been stated at their net realizable values. Adjustments relating to the recoverability and classification of recorded asset amount or to classification of liabilities that may be necessary have been made based on management's assessment of the same.

- (j) Pursuant to the Composite Scheme of Arrangement approved by the Principal bench of the National Company Law Tribunal ("NCLT"), New Delhi on December 8, 2017, Broking business of Religare Securities Limited ("Demerged Company") have been transferred to and vested in the Religare Broking Limited ("the Resulting Company") with retrospective effect from April 1, 2016, the Appointed Date. However, there are certain licenses, titles and accounts which are still appearing in the name of Demerged Company and the same is in process of getting transferred / changed / surrendered from Demerged Company to the Resulting Company. Further, pursuant to above, there is no impact on the financial statements.
- (k) Securities and Exchange Board of India "SEBI" has issued show cause notice dated September 25, 2018 to Religare Commodities Limited ("RCL"), a subsidiary of the Company, for alleged violation of regulation 5 (e), 9 (b) & 9 (f) of SEBI (Stock Broker & Sub Broker) Regulations, 1992. It has been found by SEBI that paired contracts floated by



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2019

National Spot Exchange Limited ("NSEL") were in contravention of provisions of Forward Contract Regulation Act and Central Government notification dated June 05, 2007 on commodity spot contracts. RCL being the among the 300 members of NSEL entered trades on behalf of clients for such paired contracts at NSEL at that time. SEBI has advised to submit reply as to why action should not be undertake against RCL under regulation 27 of SEBI (Intermediaries) Regulations. RCL has submitted its reply with SEBI on October 16, 2018. SEBI has not sought any further information / explanation in this matter till date.

Since trading has been suspended in NSEL by the Ministry of Finance due to above alleged contracts, the exchange recoverable and client obligations of Rs 411.53 Lakhs (March 31, 2018: Rs 414.66 Lakhs and April 1, 2017: Rs 414.66 Lakhs) have been disclosed under Trade Receivables and Trade Payables respectively. RCL will immediately settle the balances of its clients as and when NSEL pays off.

- (I) During the year there were default in the repayment of the loans and payment of the interest on loans taken within few group companies. This have no impact on the consolidated financial statements.

### 58. Previous Years Figures

Previous years' figures have been regrouped, re-arranged and reclassified wherever necessary to conform to the current year's classification.

### The notes are an integral part of these Consolidated Financial Statements

#### Signature to Note 1 to 58 Forming Part of the Financial Statements

##### For S.S. Kothari Mehta & Company

Firm Registration No. 000756N  
Chartered Accountants

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN- 05242960

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Place : New Delhi  
Date : May 23, 2019

##### For and on behalf of the Board of Directors

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : May 23, 2019



**FORM AOC - 1**  
(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
*Statement containing salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures*  
**Part "A" : Subsidiaries\***

| 1  | SI. No.   | 1                        | 2                        | 3                            | 4   | 5                                       | 6                         |
|----|---|--------------------------|--------------------------|------------------------------|---|---|---------------------------|
| 2  | Name of the Subsidiary  | Religare Finvest Limited | Religare Broking Limited | Religare Commodities Limited | Religare Health Insurance Company Limited | Religare Credit Advisor Private Limited | Religare Comtrade Limited |
| 3  | The date since when subsidiary was acquired                         | September 30, 2005       | July 20, 2016            | April 1, 2006                | April 2, 2007                             | December 20, 2013                       | June 24, 2010             |
| 4  | Reporting Period if different from Holding Company                  | N.A.                     | N.A.                     | N.A.                         | N.A.                                      | N.A.                                    | N.A.                      |
| 5  | Reporting Currency  | INR                      | INR                      | INR                          | INR                                       | INR                                     | INR                       |
| 6  | Exchange Rate as on last date of financial year                     | N.A.                     | N.A.                     | N.A.                         | N.A.                                      | N.A.                                    | N.A.                      |
| 7  | Equity Share Capital (Rs in Lakhs)                                  | 26,209.53                | 18,079.58                | 200.00                       | 68,854.99                                 | 93.98                                   | 3,712.67                  |
| 8  | Other Equity (Rs in Lakhs)  | 68,475.87                | (2,485.08)               | 5,515.34                     | (24,176.03)                               | (0.89)                                  | (13,831.34)               |
| 9  | Total Assets (Rs in Lakhs)  | 696,105.78               | 72,128.88                | 15,877.47                    | 156,910.21                                | 182.36                                  | 11,250.58                 |
| 10 | Total Liabilities (Rs in Lakhs) (Including Equity and Other Equity) | 696,105.78               | 72,128.88                | 15,877.47                    | 156,910.21                                | 182.36                                  | 11,250.58                 |
| 11 | Investments (Rs in Lakhs)   | 44,051.35                | 5,018.06                 | 2,590.36                     | 128,965.10                                | -                                       | -                         |
| 12 | Total Revenue^ (Rs in Lakhs)  | 79,565.99                | 23,419.32                | 2,799.65                     | 122,250.56                                | 116.03                                  | 1,503.29                  |
| 13 | Profit / (Loss) Before Taxation (Rs in Lakhs)                       | (154,861.24)             | (1,877.12)               | 250.21                       | 5,835.75                                  | (8.37)                                  | (1,884.24)                |
| 14 | Provision for Taxation (Rs in Lakhs)                                | (55.15)                  | (740.25)                 | 80.01                        | -   | 2.05                                    | 76.83                     |
| 15 | Profit / (Loss) After Taxation (Rs in Lakhs)                        | (154,806.09)             | (1,136.87)               | 170.20                       | 5,835.75                                  | (10.42)                                 | (1,961.07)                |
| 16 | Other Comprehensive Income (Rs in Lakhs)                            | 58.88                    | 47.13                    | 9.59                         | 298.49                                    | -                                       | -                         |
| 17 | Total Comprehensive Income (Rs in Lakhs)                            | (154,747.21)             | (1,089.74)               | 179.79                       | 6,134.24                                  | (10.42)                                 | (1,961.07)                |
| 18 | Proposed Dividend (Rs in Lakhs)                                     | -                        | -                        | -                            | -   | -                                       | -                         |
| 19 | % of shareholding (Equity) as on last date of financial year        | 85.64%                   | 100.00%                  | 100.00%                      | 89.67%                                    | 99.99%                                  | 100.00%                   |





## Part "A" : Subsidiaries\*

| 1  | Sl. No.   | 7   | 8                                   | 9                                     | 10                         | 11   |
|----|---|---|-------------------------------------|---------------------------------------|----------------------------|--|
| 2  | Name of the Subsidiary  | Religare Advisors Limited (formerly known as Religare Wealth Management Limited) <sup>#</sup> | Religare Business Solutions Limited | Religare Global Asset Management Inc. | Religare Insurance Limited | Religare Housing Development Finance Corporation Limited |
| 3  | The date since when subsidiary was acquired                         | March 15, 2007  | October 20, 2016                    | December 1, 2010                      | July 21, 2016              | June 15, 2009  |
| 4  | Reporting Period if different from Holding Company                  | N.A.  | N.A.                                | N.A.                                  | N.A.                       | N.A.   |
| 5  | Reporting Currency  | INR   | INR                                 | USD                                   | INR                        | INR  |
| 6  | Exchange Rate as on last date of financial year                     | N.A.  | N.A.                                | 69.32                                 | N.A.                       | N.A.   |
| 7  | Equity Share Capital (Rs in Lakhs)                                  | 2,432.00  | 4.00                                | 0.00                                  | 0.50                       | 3,999.80   |
| 8  | Other Equity (Rs in Lakhs)  | (3,614.03)  | (2.76)                              | (96.78)                               | (0.45)                     | 15,691.13  |
| 9  | Total Assets (Rs in Lakhs)  | 680.88  | 1.52                                | 64.46                                 | 0.11                       | 80,108.78  |
| 10 | Total Liabilities (Rs in Lakhs) (Including Equity and Other Equity) | 680.88  | 1.52                                | 64.46                                 | 0.11                       | 80,108.78  |
| 11 | Investments (Rs in Lakhs)   | -   | -                                   | -                                     | -                          | 5,671.27   |
| 12 | Total Revenue <sup>^</sup> (Rs in Lakhs)                            | 162.16  | -                                   | 161.43                                | -                          | 13,009.39  |
| 13 | Profit / (Loss) Before Taxation (Rs in Lakhs)                       | (73.90)   | (1.81)                              | 152.01                                | -                          | 1,380.70   |
| 14 | Provision for Taxation (Rs in Lakhs)                                | -   | -                                   | -                                     | -                          | 378.36   |
| 15 | Profit / (Loss) After Taxation (Rs in Lakhs)                        | (73.90)   | (1.81)                              | 152.01                                | -                          | 1,002.34   |
| 16 | Other Comprehensive Income (Rs in Lakhs)                            | -   | -                                   | -                                     | -                          | (34.94)  |
| 17 | Total Comprehensive Income (Rs in Lakhs)                            | (73.90)   | (1.81)                              | 152.01                                | -                          | 967.40   |
| 18 | Proposed Dividend (Rs in Lakhs)                                     | -   | -                                   | -                                     | -                          | -  |
| 19 | % of shareholding (Equity) as on last date of financial year        | 100.00%   | 100.00%                             | 100.00%                               | 100.00%                    | 87.50%   |

\* Subsidiaries as per Ind AS. (Refer Note No. 2.2 C)

<sup>^</sup> In case of foreign subsidiaries total income is converted at monthly average exchange rate.<sup>#</sup> Name of Religare Wealth Management Limited has been changed to Religare Advisors Limited w.e.f. December 20, 2018.

## Names of subsidiaries which are yet to commence operations

Sl. No. Name of the Company

(1) Religare Insurance Limited

(2) Religare Business Solutions Limited

## Names of the subsidiaries which have been liquidated or sold during the year

Sl. No. Name of the Company

(1) Argil Advisors LLP (formerly known as Ceresstra Capital Advisors LLP) has been struck-off from w.e.f. April 06, 2018.

For and on behalf of the Board of Directors

Sd/-  
Vijayalakshmi Rajaram Iyer  
Director  
DIN- 05242960

Sd/-  
Sabina Vaisoha  
Director  
DIN-00207306

Sd/-  
Milind Narendra Patel  
Group - CEO

Sd/-  
Gurvinder Singh Juneja  
CFO

Sd/-  
Reena Jayara  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : May 23, 2019





## FORM AOC - 1

## Part "B" : Associates and Joint Ventures\*

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures

| Sl. No | Name of Associates / Joint Ventures  | Joint Venture                              | Associate |
|--------|--|--|-----------|
|        |  | IBOF Investment Management Private Limited |           |
| 1      | Latest audited balance sheet Date  | March 31, 2019                             | NIL       |
| 2      | Date on which the Associate or Joint Venture was associated or acquired  | April 8, 2009                              |           |
| 3      | Equity Shares of Associate / Joint Ventures held by the Company on the year end                                      |  |           |
|        | Numbers  | 3,499,999                                  |           |
|        | Amount of Investment in Associates / Joint Venture (Net of Allowance for Impairment Loss / Provisions) (Rs in Lakhs) | 350.00                                     |           |
|        | Extend of Equity Shares Holding (%)  | 50%  |           |
| 4      | Description of how there is significant influence  | Refer Note A below                         |           |
| 5      | Reason why the associate / Joint Venture is not consolidated   | N.A.                                       |           |
| 6      | Net worth attributable to shareholding (of Holding Company) as per latest audited Balance Sheet (Rs in Lakhs)        | 35.51                                      |           |
| 7      | Profit / (Loss) for the year   |  |           |
|        | i. Considered in Consolidation (Rs in Lakhs)   | (8.96)                                     |           |
|        | ii. Not Considered in Consolidation (Owing to proportionate consolidation of Joint Venture) (Rs in Lakhs)            | N.A.                                       |           |

\*Associates and Joint Ventures as per IND AS

**Note A:** There is Significant influence due to percentage (%) of Share Capital.

For and on behalf of the Board of Directors

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
 Director  
 DIN- 05242960

Sd/-  
**Milind Narendra Patel**  
 Group - CEO

Sd/-  
**Sabina Vaisoha**  
 Director  
 DIN-00207306

Sd/-  
**Gurvinder Singh Juneja**  
 CFO

Sd/-  
**Reena Jayara**  
 Company Secretary  
 Membership No. A19122

Place : New Delhi  
 Date : May 23, 2019



# **STANDALONE**

## FINANCIALS





## TO THE MEMBERS OF RELIGARE ENTERPRISES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

1. We have audited the accompanying standalone financial statements of Religare Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. 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 section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2019, the loss and total comprehensive income, changes in equity and its cash flow for the year ended on that date.

#### Basis for Qualified Opinion

3. Attention is invited to Note No 32.6 of the standalone financial statements of the company relating to pending REL's application with Hon'ble High Court of Delhi for staying the redemption of 1,500,000 non-convertible preference shares of the Company held by Oscar Investments Limited, Promoter's Group Company and due on October 31, 2018 with an approx. redemption value of Rs. 4,190.28 lakhs. Pending the outcome of the application, we are unable to comment the likely implication on the financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 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 qualified opinion on the standalone financial statements.

#### Emphasis of Matter

4. Attention is invited to Note No – 32.5 of the standalone financial statements of the company with respect to the appeal filed with Hon'ble Debt Recovery Appellate Tribunal against dismissal of application filed by the company for vacation of stay dated Mar 21, 2018 qua the company and deletion of Company's name from the legal proceedings between Axis Bank & Religare Capital Markets International (Mauritius) Limited (i.e. RCMIML), wherein the company had issued the non-disposal undertaking (i.e. NDU) with respect to the shares of Religare Health Insurance Company Limited (i.e. RHICL) for a standby letter of credit facility availed by RCMIML from Axis Bank (claimed amount of Rs 31,293 lacs). The management has represented that it has been legally advised that the said NDU does not contemplate any payment/repayment obligations on the company in case of any default on the part of RCMIML. We have relied on the representation of the management.

Our report is not modified in respect of this matter.

#### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



| Key Audit Matter  | Auditor's response   |
|---|--|
| <p><b>Valuation of Investments and Impairment thereon</b></p> <p>The Company has investments in its subsidiaries most of which was valued at fair value as on the date of transition and taken as deemed cost under IND AS and subjected to impairment testing at the end of each reporting period thereafter.</p> <p>We do not consider the valuation of this investments to be at a high risk of significant misstatement or to be subject to a significant level of judgement, except for the investment valuation based on appropriate valuation methodology followed by the valuer in material subsidiaries.</p> <p>The valuations involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows and in selection of listed peer companies under a particular valuation methodology.</p> <p>On account of major investments in material subsidiaries as indicated above in the context of total investment of the Company, this is considered to be significant to our overall audit strategy and planning.</p> <p>The Company has engaged a valuation expert to evaluate the fair value of the investments.</p> | <p><b>Principle Audit Procedures</b></p> <p>Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment our procedures included the following:</p> <ul style="list-style-type: none"> <li>- Comparing the carrying amount of investments with the subsidiary balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether subsidiary have historically been profit-making.</li> <li>- The carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable adjusted net asset value , discounted cash flow analysis.</li> <li>- We understood the methodology applied by management in performing its impairment test for the investment at cost and walked through the controls over the process.</li> <li>- We challenged the assumptions made by management for the input data used by management's fair valuation expert through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions.</li> </ul> |

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business responsibility report and Corporate Governance report, but does not include the standalone financial statements and our auditor's report thereon. The other information 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 during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above if, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with IND AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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



### Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated May 30, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated June 29, 2017 respectively expressed a unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the companies Act, 2013, we give in 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, based on our audit we report that:
  - a) We have sought and *except for the matters referred to in paragraph 3 above* obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, *except for the indeterminate effect of the matters referred to paragraph 3 above*, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account except for our qualification as mentioned above.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the company to its whole-time director during the year is in accordance with the provisions of section 197 of the Act.
  - 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, as amended 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 standalone financial statements. (refer note no. 32).
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm's Registration Number: 000756N

Sd/-  
**Naveen Aggarwal**  
Partner

Membership Number: 094380

Place: New Delhi  
Date: May 23, 2019





### ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Religare Enterprises Limited of even date)

- i. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) According to the information and explanation provided to us, the fixed assets has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies, if any, noticed on such physical verification has been properly dealt with in the books of account.
  - c) According to the information and explanations given to us and on the basis of our examination of records of the company, the title deeds of immovable properties are held in the name of the Company/erstwhile company merged in the company in earlier year.
- ii. The Company is engaged in the business of rendering services and lending money, consequently, does not hold any inventory. Accordingly, Clause (ii) of Para 3 of the order is not applicable to the Company.
- iii. As per the information and explanation given to us and on the basis of our examination of the records, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. As per the information and explanation given to us and on the basis of our examination of the records, the Company has not granted any loans or made any investment or provided any guarantees or security to parties covered under section 185.

As per the information and explanation given to us and on the basis of our examination of the records, the company has complied with the provisions of section 186 of the Companies Act 2013 in respect of the loans and investments made and guarantees and security provided by it.
- v. In our opinion and as per the information and explanation provided 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 provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- vi. As per the requirement under section 148(1) of Companies Act, 2013 the Central government has not prescribed for maintenances of the cost records for any of the products of the company. Accordingly, Clause (vi) of Para 3 of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, Goods and Services Tax, cess and other material statutory dues as applicable with the appropriate authorities with slight delays in certain cases. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service tax, sales tax, value added tax and Goods and Services Tax which have not been deposited on account of any dispute except for the following:



| Name of the Statute     | Nature of Dues     | Amount (Rs.) | Period to which the amount relates | Forum where the dispute is pending                 |
|-------------------------|--------------------|--------------|------------------------------------|--|
| Income Tax Act, 1961    | Income Tax Demands | 70,117,130   | A.Y. 2008-09                       | Income Tax Appellate Tribunal                      |
|                         |                    | 8,263,106    | A.Y. 2009-10                       | Commissioner of Income Tax (Appeals)               |
|                         |                    | 3,232,216    | A.Y. 2010-11                       | Income Tax Appellate Tribunal                      |
|                         |                    | 36,271,324   | A.Y. 2011-12                       | Income Tax Appellate Tribunal                      |
|                         |                    | 6,269,624    | A.Y. 2011-12                       | Commissioner of Income Tax (Appeals)               |
|                         |                    | 43,300,168   | A.Y. 2012-13                       | Commissioner of Income Tax (Appeals)*              |
|                         |                    | 761,125      | A.Y. 2013-14                       | Commissioner of Income Tax (Appeals)               |
|                         |                    | 4,073,675    | A.Y. 2015-16                       | Commissioner of Income Tax (Appeals)               |
| Service Tax Regulations | Service Tax        | 2,111,360    | FY 2005-06 to FY 2009-10           | Custom Excise and Service Tax Appellate Tribunal** |
|                         |                    | 3,954,567    | FY 2010-11                         | Custom Excise and Service Tax Appellate Tribunal   |
|                         |                    | 5,195,173    | FY 2011-12                         | Custom Excise and Service Tax Appellate Tribunal   |

\* Partial amount of Rs. 3,000,000 has been paid under protest.

\*\* Inclusive of Penalty of Rs. 1,058,180

- viii. In our opinion and according to the information & explanations given to us, the company has defaulted in repayment of loan or borrowing to financial institution i.e Religare Finvest Limited, its subsidiary which is a non – banking finance company as per Section 45I of RBI Act, 1934.

However, The Company has not taken any loans or borrowings from any bank and Government.

Lender wise details are as follows:

| Name of Lender           | Amount of default as at March 31, 2019<br>(INR in lakhs)* | Period of Default                 |
|--------------------------|---|-----------------------------------|
| Religare Finvest Limited | 18,550.00   | Ranging from 187 days to 413 days |

\*The amount is exclusive of interest thereon.

- ix. As per the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of para 3 of the order is not applicable to the company.
- x. As per the information and explanation given to us and on the basis of our examination of the records we have neither come across any instance of material fraud by the company or on the company by its employees, noticed or reported during the year, nor have been informed of such case by the management.
- xi. As per the information and explanation given to us and on the basis of our examination of the records, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of Companies Act, 2013 read with Schedule V to the Act .
- xii. The company is not Nidhi Company. Accordingly, Clause (xii) of Para 3 of the order is not applicable to the Company.



- xiii. As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by IND AS 24.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of warrants convertible into equity shares during the year and requirements of Section 42 of the Companies Act, 2013 have been complied with. The company had duly utilised the funds received from the warrant holders for the purposes for which it has been raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Core Investment Company (CIC).

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm's Registration Number: 000756N

Sd/-  
**Naveen Aggarwal**  
Partner

Membership Number: 094380

Place: New Delhi  
Date: May 23, 2019

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

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

We have audited the internal financial controls over financial reporting of **Religare Enterprises Limited** (“the Company”) as at March 31, 2019 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 is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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.

**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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Qualified Opinion**

According to the information & explanation given to us and based on our audit, the following material weaknesses has been identified in the Company’s internal financial controls over financial reporting:-

During the current financial year, the Company has initiated the process of updating the documentation for Micro Small & Medium Enterprises as per MSMED Act 2006, however, conclusion of the same is yet to be achieved.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s standalone financial statements will not be prevented or detected on a timely basis.



In our opinion, to the best of our information and according to the explanation given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2019, and the material weakness does not affect our opinion on the said standalone financial statements of the Company.

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm's Registration Number: 000756N

Place: New Delhi  
Date: May 23, 2019

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership Number: 094380



| (Amount in ₹ lakhs, unless otherwise stated)  |          |                      |                      |                     |
|---|----------|----------------------|----------------------|---------------------|
| Particulars   | Note No. | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
| <b>ASSETS</b>   |          |                      |                      |                     |
| <b>Financial Assets</b>   |          |                      |                      |                     |
| Cash and cash equivalents   | 6        | 344.51               | 38.31                | 406.02              |
| Bank Balance other than above   | 7        | 4.40                 | 52.41                | 58.50               |
| Loans   | 8        | -                    | 275.60               | 7,978.46            |
| Investments   | 9        | 211,209.41           | 212,147.35           | 216,755.86          |
| Other Financial Assets  | 10       | 2,344.02             | 859.73               | 2,174.35            |
| <b>Non-financial Assets</b>   |          |                      |                      |                     |
| Current Tax Assets (Net)  | 11       | 5,472.11             | 8,773.49             | 8,610.17            |
| Deferred tax Assets (Net)   | 12       | 173.56               | 171.59               | 681.52              |
| Property, Plant and Equipment   | 13       | 108.64               | 142.63               | 209.35              |
| Other Intangible Assets   | 14       | 39.04                | 85.86                | 228.73              |
| Other Non-Financial Assets  | 15       | 1,503.01             | 1,732.48             | 1,588.36            |
| <b>Total Assets</b>   |          | <b>221,198.70</b>    | <b>224,279.45</b>    | <b>238,691.32</b>   |
| <b>LIABILITIES AND EQUITY</b>   |          |                      |                      |                     |
| <b>LIABILITIES</b>  |          |                      |                      |                     |
| <b>Financial Liabilities</b>  |          |                      |                      |                     |
| 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 |          | 1,003.35             | 1,099.42             | 2,887.69            |
| Debt Securities   | 16       | -                    | 2,966.47             | 33,839.92           |
| Borrowings (Other than Debt Securities)   | 17       | 38,058.74            | 51,855.63            | 12,106.89           |
| Other Financial Liabilities   | 18       | 16,029.14            | 17,377.07            | 5,742.52            |
| <b>Non-Financial Liabilities</b>  |          |                      |                      |                     |
| Provisions  | 19       | 68.85                | 97.39                | 165.64              |
| Other Non-Financial Liabilities   | 20       | 123.33               | 48.21                | 477.36              |
| <b>EQUITY</b>   |          |                      |                      |                     |
| Share Capital   | 21       | 21,694.27            | 17,845.52            | 17,833.45           |
| Other Equity  | 22       | 144,221.02           | 132,989.74           | 165,637.85          |
| <b>Total Liabilities and Equity</b>   |          | <b>221,198.70</b>    | <b>224,279.45</b>    | <b>238,691.32</b>   |
| Overview & Significant Accounting Policies  | 1 - 5    |                      |                      |                     |

The accompanying notes are an integral part of the Financial Statements.

This is the Balance sheet referred to in our report of even date

For S.S. Kothari Mehta & Company

Firm Registration No. 000756N

Chartered Accountants

Sd/-

Naveen Aggarwal

Partner

Membership No. 094380

Sd/-  
Vijayalakshmi Rajaram Iyer  
Director  
DIN- 05242960

Sd/-  
Milind Narendra Patel  
Group - CEO

Place : New Delhi  
Date : May 23, 2019

Place : New Delhi  
Date : May 23, 2019

For and on behalf of the Board of Directors

Sd/-  
Sabina Vaisoha  
Director  
DIN-00207306

Sd/-  
Gurvinder Singh Juneja  
CFO

Sd/-  
Reena Jayara  
Company Secretary  
Membership No. A19122



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

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|----------|---------------------------|---------------------------|
| <b>Revenue from Operations</b>  |          |                           |                           |
| Interest Income   | 23       | 899.44                    | 1,458.98                  |
| Others  | 24       | 13.53                     | 38.84                     |
| Total Revenue from operations (I)   |          | 912.97                    | 1,497.82                  |
| <b>Other Income (II)</b>  | 25       | 2,603.60                  | 5,691.62                  |
| <b>Total Income (III)=(I+II)</b>  |          | 3,516.57                  | 7,189.44                  |
| <b>Expenses</b>   |          |                           |                           |
| Finance Costs   | 26       | 4,470.22                  | 5,670.71                  |
| Employee Benefits Expenses  | 27       | 1,279.83                  | 1,836.68                  |
| Depreciation, Amortization and Impairment   | 28       | 85.42                     | 205.91                    |
| Impairment on Financial Instruments   | 29       | 9,934.24                  | 11,903.96                 |
| Others Expenses   | 30       | 2,358.08                  | 20,912.04                 |
| <b>Total Expenses (IV)</b>  |          | 18,127.79                 | 40,529.30                 |
| <b>Profit/(Loss) Before Exceptional items and Tax (V)=(III-IV)</b>  |          | (14,611.22)               | (33,339.86)               |
| Exceptional items (VI)  |          | -                         | -                         |
| <b>Profit/(Loss) Before Tax (VII)=(V -VI )</b>  |          | (14,611.22)               | (33,339.86)               |
| <b>Tax Expense: (VIII)</b>  |          |                           |                           |
| (1) Current Tax   | 31       | -                         | (1,224.63)                |
| (2) Deferred Tax  | 31       | -                         | 509.93                    |
| <b>Profit/(Loss) for the year from continuing operations (IX)=(VII-VIII)</b>  |          | (14,611.22)               | (32,625.16)               |
| <b>Other Comprehensive Income</b>   |          |                           |                           |
| A (i) Items that will not be reclassified to profit or loss   |          |                           |                           |
| Re-measurement gains/(losses) on defined benefit plans  |          | 16.19                     | (10.87)                   |
| Payment due against Letter of comfort given   |          | -                         | -                         |
| (ii) Income tax relating to items that will not be reclassified to profit or loss   |          | -                         | -                         |
| <b>Other Comprehensive Income (X)</b>   |          | 16.19                     | (10.87)                   |
| <b>Total Comprehensive Income for the period (Comprising Profit/(Loss) and other Comprehensive Income for the period)(IX+X)</b> |          | (14,595.03)               | (32,636.03)               |
| <b>Earning Per Share</b>  |          |                           |                           |
| a) Basic EPS (₹)  |          | (6.93)                    | (18.28)                   |
| b) Diluted EPS (₹)  |          | (6.93)                    | (18.28)                   |
| Overview & Significant Accounting Policies  | 1 - 5    |                           |                           |
| The accompanying notes are an integral part of the Financial Statements.  |          |                           |                           |

This is the statement of Profit & Loss referred to in our report of even date

For S.S. Kothari Mehta & Company

Firm Registration No. 000756N  
Chartered Accountants

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN- 05242960

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Place : New Delhi  
Date : May 23, 2019

For and on behalf of the Board of Directors

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : May 23, 2019



# Statement of Changes in Equity

## For the year ended March 31, 2019



### Equity Share Capital

(Amount in ₹ lakhs, unless otherwise stated)

| Particular                               | Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--|--|---|--|
| <b>For the Year ended March 31, 2018</b> | 17,833.45  | 12.08   | 17,845.52                                  |
| <b>For the Year ended March 31, 2019</b> | 17,845.52  | 3,848.75  | 21,694.27                                  |

### Other Equity

| Particular  | Share application money pending allotment | Share Warrant | Reserves and Surplus |  |                            |                            |                 |                   | Other Comprehensive Income | Total       |
|---|---|---------------|----------------------|--|----------------------------|----------------------------|-----------------|-------------------|----------------------------|-------------|
|   |   |               | Statutory Reserves   | Capital reserve arising out of composite scheme of arrangement | Securities Premium Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings |                            |             |
| <b>Balance at April 1, 2017</b>   | 169.05                                    | -             | 9,712.63             | 6,525.65   | 352,219.27                 | 123.14                     | 2,654.14        | (205,759.16)      | (6.88)                     | 165,637.85  |
| Restated balance at the beginning of the reporting period   | (169.05)                                  | -             | -                    | -  | 156.98                     | -                          | -               | -                 | -                          | (12.08)     |
| Profit/ (Loss) for the Year   | -   | -             | -                    | -  | -                          | -                          | -               | (32,625.16)       | -                          | (32,625.16) |
| Re-measurement (gain)/loss on post employment benefit obligation (net of tax)                       | -   | -             | -                    | -  | -                          | -                          | -               | -                 | (10.87)                    | (10.87)     |
| <b>Total Comprehensive Income for the year</b>  | -   | -             | -                    | -  | -                          | -                          | -               | (32,625.16)       | (10.87)                    | (32,636.03) |
| Any other change (to be specified)  | -   | -             | -                    | -  | -                          | -                          | -               | -                 | -                          | -           |
| <b>Balance at March 31, 2018</b>  | -   | -             | 9,712.63             | 6,525.65   | 352,376.25                 | 123.14                     | 2,654.14        | (238,384.32)      | (17.75)                    | 132,989.74  |
| Restated balance at the beginning of the reporting period   | -   | -             | -                    | -  | -                          | -                          | -               | -                 | -                          | -           |
| Profit/ (Loss) for the Year   | -   | -             | -                    | -  | -                          | -                          | -               | (14,611.22)       | -                          | (14,611.22) |
| Re-measurement (gain)/loss on post employment benefit obligation (net of tax)                       | -   | -             | -                    | -  | -                          | -                          | -               | -                 | 16.19                      | 16.19       |
| <b>Total Comprehensive Income for the year</b>  | -   | -             | -                    | -  | -                          | -                          | -               | (14,611.22)       | 16.19                      | (14,595.03) |
| Any other change (Securities Premium increase due to conversion of Share warrant into Equity Share) | -   | -             | -                    | -  | 12,210.17                  | -                          | -               | -                 | -                          | 12,210.17   |
| Money Received against Share Warrants   | -   | 14,578.35     | -                    | -  | -                          | -                          | -               | -                 | -                          | 14,578.35   |
| Less- utilised on allotment   | -   | (5,032.24)    | -                    | -  | 4,070.04                   | -                          | -               | -                 | -                          | (962.20)    |
| <b>Balance at March 31, 2019</b>  | -   | 9,546.11      | 9,712.63             | 6,525.65   | 368,656.46                 | 123.14                     | 2,654.14        | (252,995.54)      | (1.56)                     | 144,221.02  |

### NOTE

**Share Application Money:** The company had received share application money of ₹ 169.05 Lakhs from whole time director (as on employee) under Employee Stock Option Scheme 2006 which was pending for allotment till year ended March 31, 2017. During year ended March 31, 2018 the above share application money had been allotted to 120,750 number of equity shares having face of ₹ 10 aggregating ₹ 1,207,500 on May 19, 2017.

**Securities Premium Account:** This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

**Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible



## Statement of Changes in Equity

### For the year ended March 31, 2019

Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

**General Reserve:** This Reserve is created by an appropriation from one component of other equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of Companies Act, 2013.

**Share Warrant:** Religare Enterprises Limited ("the Company") obtained an In – Principle approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 from National Stock Exchange of India and BSE Limited ("the Exchanges") to issue and allotment of 175,224,258 convertible warrants of ₹ 52.30/- each exercisable into equal number of Equity Shares of ₹ 10/- each of the Company on preferential basis. Pursuant to shareholder approval dated March 19, 2018, the Company issued and allotted 111,497,714 convertible warrant each on preferential basis under the provision of chapter VII of Securities Exchanges Board of India (Issue of Capital and disclosure requirement) Regulation 2009, as amended (ICDR Regulations) and section 62 and 42 of the Companies Act 2013.

**Statutory Reserve:** The reserve was created in accordance to Section 45 IC of RBI Act, 1934.

**Capital Reserve** arising out of composite scheme of arrangement: Pursuant to the terms of approved scheme of arrangement, the investment held by the Company in transferor entities and related provision for diminution stand cancelled; the difference between book value of investments and face value of shares amounting to ₹ 6,525.65 Lakhs has been credited to Capital Reserve.

Overview & Significant Accounting Policies 1 - 5

The accompanying notes are an integral part of the Financial Statements.

This is the statement of changes in Equity referred to in our report of even date

#### For S.S. Kothari Mehta & Company

Firm Registration No. 000756N  
Chartered Accountants

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN- 05242960

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Place : New Delhi  
Date : May 23, 2019

Place : New Delhi  
Date : May 23, 2019

#### For and on behalf of the Board of Directors

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| <b>Cash Flow From Operating Activities:</b>  |                              |                              |
| Profit / (Loss) Before Tax   | (14,611.22)                  | (33,339.86)                  |
| <b>Adjustments for:</b>  |                              |                              |
| Loss/(profit) on Sale of Property, Plant and Equipment (Net)                                 | (4.66)                       | (2.28)                       |
| Income from Arbitrage and Trading of Securities and Derivatives                              | -                            | (24.46)                      |
| Interest on Income Tax refund  | (538.17)                     | (739.03)                     |
| Interest on Fixed Deposit  | (2.58)                       | (4.27)                       |
| Amortisation of Discount on issue of Commercial Paper  | 106.09                       | 1,947.72                     |
| Depreciation and Amortisation Expense  | 85.42                        | 205.91                       |
| Interest Cost on Debentures/ Term Loan   | 3,573.92                     | 3,040.79                     |
| Property, Plant and Equipment Written off  | -                            | 4.81                         |
| Provision for Gratuity and Leave Encashment  | 15.36                        | 44.43                        |
| Contingent Provision on Standard Assets (Net)  | -                            | 28.40                        |
| Loss/ (Profit) on Sale of Non Current Investments  | (89.50)                      | (454.00)                     |
| Loss/ (Profit) on Sale of Current Investments  | (13.53)                      | -                            |
| Provision for Diminution in value of Non Current Investments                                 | -                            | 0.50                         |
| Provision for Non Performing Assets  | 44.01                        | 8,304.12                     |
| Provision for Security Deposit   | -                            | 126.03                       |
| Liabilities Written Back (Net)   | -                            | (1,489.72)                   |
| Payment for Gratuity and Leave Encashment  | (23.96)                      | (104.66)                     |
| Unrealised Foreign Exchange Loss (Net)   | -                            | 0.02                         |
| Interest expense as per EIR on liability portion of preference shares                        | 577.55                       | 682.15                       |
| Loss on Fair Value changes Through PL  | 9,934.24                     | 11,903.96                    |
| Financial liability payable on account of Letter of comfort                                  | -                            | 9,119.00                     |
| Gain on fair valuation of Mutual fund, venture capital fund and alternative investment funds | 6.37                         | (86.04)                      |
| Re-measurement gains / (losses) on defined benefit plans                                     | 16.19                        | (10.87)                      |
| Impact on account of amortisation of Financial Guarantee                                     | -                            | (3.80)                       |
| ECL on Support Services  | 139.37                       | 9.35                         |
| Others   | -                            | (6.88)                       |
| <b>Operating Profit/Loss before Working Capital changes</b>                                  | <b>(785.10)</b>              | <b>(848.68)</b>              |
| <b>Adjustments for changes in Working Capital :</b>  |                              |                              |
| - (Increase)/Decrease in Other Non-Financial Assets  | -                            | (376.72)                     |
| - (Increase)/Decrease in Financial & Non-Financial Assets                                    | 1,552.86                     | (10,412.23)                  |
| - (Increase)/Decrease in Loans   | 304.00                       | -                            |
| - Increase/ (Decrease) in Trade Payables   | (96.07)                      | (409.09)                     |
| - Increase/ (Decrease) in Financial & Non-Financial Liabilities                              | (4,066.32)                   | (15,156.36)                  |
| - Increase/ (Decrease) in Other Current Liabilities  | -                            | -                            |
| - Provision for Income tax for earlier years reversed  | -                            | 1,224.63                     |
| - MAT credit reversed  | -                            | (497.67)                     |
| <b>Cash Generated From / (Used in) from Operations</b>                                       | <b>(3,090.63)</b>            | <b>(26,476.13)</b>           |
| - Taxes (Paid) / Refunds (Net)   | 538.17                       | 282.10                       |
| <b>Net Cash Generated From / (Used) in Operating Activities</b>                              | <b>(2,552.46)</b>            | <b>(26,194.02)</b>           |
| <b>Cash Flow From Investing Activities:</b>  |                              |                              |
| <b>Adjustments for changes in :</b>  |                              |                              |
| Purchase of Property, Plant and Equipment  | (8.65)                       | (2.21)                       |



## Cash Flows Statement for the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Proceeds from Sale of Property, Plant and Equipment                                  | 13.36                        | 3.37                         |
| <u>Proceeds from Sale of Non Current / Current Investments in:</u>                   |                              |                              |
| - Subsidiary companies (Equity/ Debentures/Commercial Papers (CPs/Preference Shares) | (500.00)                     | 368.74                       |
| - Others (including units of mutual funds)   | 14,144.24                    | 39,597.44                    |
| <u>Investments in Non Current/ Current Investments of:</u>                           |                              |                              |
| - Subsidiary Companies (Including Equity share/Debentures/ Preference Shares/CPs)    | (8,499.84)                   | (6,747.55)                   |
| - Others (including units of mutual funds)   | (13,825.00)                  | (39,559.83)                  |
| - Changes due to the effect of scheme of arrangement (Fixed Asset)                   | -                            | (397.99)                     |
| - Changes due to effect of scheme of arrangement (Investment)                        | -                            | 56,057.00                    |
| Interest on Fixed deposits   | 2.58                         | 4.27                         |
| Changes in bank balances other than cash and cash equivalent                         | 48.01                        | 6.09                         |
| <b>Net Cash Generated From/ (Used in) Investing Activities</b>                       | <b>(8,625.30)</b>            | <b>49,329.34</b>             |
| <b>Cash Flow From Financing Activities:</b>  |                              |                              |
| Interest Paid  | (744.10)                     | (1,799.01)                   |
| Proceed from Issue of Share Capital  | 20,128.96                    | -                            |
| Proceeds of Share Warrant  | 9,546.11                     | -                            |
| (Repayment) of Long Term Secured Borrowings (NCDs)                                   | -                            | (13,610.00)                  |
| Repayment from Short Term Borrowings - Inter Corporate Loan                          | (19,374.45)                  | (5,574.00)                   |
| Proceeds of Short Term Borrowings -Inter Corporate Loans                             | 5,000.00                     | 50,521.04                    |
| Repayment of Commercial Paper  | (3,072.55)                   | (14,781.57)                  |
| Changes due to effect of scheme of arrangement (Commercial papers)                   | -                            | (38,013.28)                  |
| <b>Net Cash Generated From/ (Used In) Financing Activities</b>                       | <b>11,483.97</b>             | <b>(23,256.81)</b>           |
| Net Increase/ (Decrease) in Cash and Cash Equivalents                                | 306.20                       | (121.51)                     |
| Cash and Cash Equivalents at the Beginning of the Year                               | 38.31                        | 159.82                       |
| <b>Cash and Cash Equivalents at the end of the Year</b>                              | <b>344.51</b>                | <b>38.31</b>                 |
| <b>Cash and Cash Equivalents at the end of the Year comprises of</b>                 |                              |                              |
| Cash in hand   | 0.32                         | 1.68                         |
| Cheques/Stamps in hand   | 1.57                         | 1.81                         |
| Balances with Scheduled Banks in Current Accounts                                    | 342.62                       | 34.82                        |
| <b>TOTAL</b>   | <b>344.51</b>                | <b>38.31</b>                 |

The accompanying notes are an integral part of the Financial Statements.

This is the Cash Flows Statement referred to in our report of even date

For S.S. Kothari Mehta & Company

Firm Registration No. 000756N

Chartered Accountants

Sd/-

Naveen Aggarwal

Partner

Membership No. 094380

Sd/-

Vijayalakshmi Rajaram Iyer

Director

DIN- 05242960

Sd/-

Milind Narendra Patel

Group - CEO

Sd/-

Sabina Vaisoha

Director

DIN-00207306

Sd/-

Gurvinder Singh Juneja

CFO

Sd/-

Reena Jayara

Company Secretary

Membership No. A19122

Place : New Delhi

Date : May 23, 2019

Place : New Delhi

Date : May 23, 2019



## STANDALONE ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2019

### 1. CORPORATE INFORMATION

Religare Enterprises Limited ("REL" or "the Company") is a leading emerging markets financial services company in India. REL was originally incorporated as a private limited company under the Companies Act, 1956 on January 30, 1984. The Company was registered with the Reserve Bank of India as a Non-Banking Financial Company under section 45 IA of RBI Act, 1934 governed by erstwhile Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("NBFC Directions").

The Company now holds the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") vide Certificate No. N-14.03222 dated June 03, 2014 issued by the Reserve Bank of India ("RBI") and accordingly at present is governed by the directions contained in Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions"). More than 90% of its total assets are invested in Non Current Investments in group companies.

The Company has changed its registered office from D3, P3B District Centre, Saket, New Delhi -110017 to 2nd Floor, Rajlok Building, 24, Nehru Place, New Delhi -110019 w.e.f. December 1, 2016,

Religare Enterprises Limited (REL) is a diversified financial services group present across three verticals. REL offers an integrated suite of financial services through its underlying subsidiaries and operating entities, including loans to SMEs, Affordable Housing Finance, Health Insurance and Retail Broking. REL is listed on the BSE (formerly Bombay Stock Exchange) and National Stock Exchange (NSE) in India.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The Company has prepared the financial statements for the year ended March 31, 2019 in accordance with Ind AS for the first time. An explanation of how the transition to INDAS has been effected the previously reported financial position, financial performance and cash flow of the Company is provided in Note No. 40.

The standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The Standalone financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the Board of directors on May 23, 2019.

#### 2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note No. 42.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

The normal course of business

The events of default

The event of insolvency or bankruptcy of the company and its counterparties



## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

Derivative assets and liabilities with master netting arrangements are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default. There are no such netting off arrangement during the year ended March 31, 2019.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Recognition of interest income

##### 3.1.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

##### 3.1.2 Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. The financial asset is credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that financial asset have occurred.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets, if any, mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

#### 3.2 Financial instruments-initial recognition

##### 3.2.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The company recognises debt securities, deposits and borrowings when funds reach the company.

##### 3.2.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the company account for the Day 1 profit or loss, as described below.





### 3.2.3 Day 1 Profit or Loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the company recognises the difference between the transaction price and fair value in net gain/(loss) on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

### 3.2.4 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost or FVTPL

The company classifies and measures its derivatives (other than those designated in a cash flow hedging relationship) and trading portfolio at FVTPL. The company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies. Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied.

## 3.3 Financial assets and liabilities

### 3.3.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

#### 3.3.1.1 Business model assessment

The company determines its business model at the level that best reflects how it manages Company of financial assets to achieve its business objective.

The company business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### 3.3.1.2 The Solely Payments of Principal and Interest (SPPI) test.

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the Solely Payments of Principal and Interest (SPPI) test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.





## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

#### **3.3.2 Financial assets or financial liabilities held for trading**

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

#### **3.3.3 Debt instruments at FVOCI**

Debt instruments are measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

#### **3.3.4 Equity instruments at FVOCI**

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

#### **3.3.5 Debt securities and other borrowed funds:**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

The Company has issued financial instruments with equity conversion rights and call options. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once



the Company has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted.

### 3.3.6 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- Or
- The liabilities are financial liabilities, which are managed and their performance evaluated on a fair value basis,
- Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

### 3.3.7 Financial guarantees and undrawn loan commitments

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, premium/deemed premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

The premium/deemed premium is recognised in the statement of profit and loss on a straight line basis over the life of the guarantee.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

The Company occasionally issues loan commitments at below market interest rates drawdown. Such commitments are subsequently measured at the higher of the amount of the ECL allowance and the amount initially recognised less, when appropriate.

## 3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and 2017-18.

## 3.5 Derecognition of financial assets and liabilities

### 3.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised



as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCL.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

### **3.5.2 Derecognition of financial assets other than due to substantial modification**

#### **3.5.2.1 Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- (i) The Company has transferred its contractual rights to receive cash flows from the financial asset

Or

- (ii) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- (i) The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- (ii) The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- (iii) The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- (i) The Company has transferred substantially all the risks and rewards of the asset

Or

- (ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has



retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### 3.5.3 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

## 3.6 Impairment of financial assets

### 3.6.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk, if any.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company's policy for Companying financial assets measured on a collective basis.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The ECL model of the Company takes into accounts forward looking information as economic inputs.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: For Loans considered credit-impaired, the Company records an allowance for the LTECLs.

#### Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or



- e) The disappearance of an active market for a security because of financial difficulties.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.
- For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.
- The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
- On derecognition of a financial asset accounted under Ind AS 109 in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in profit or loss.
- If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

#### 3.6.2 The calculation of ECLs

The Company calculates ECLs based on total loans receivable (including accrued interest) which are divided into segments based upon the industry in which the customer is operating.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date, taking into account repayments of principal and interest, whether scheduled by contract or otherwise and accrued interest from missed payments. The EAD is sum total of outstanding principal and accrued interest.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of life time expected credit loss (LTECLs) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original ROI.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original ROI.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2.

#### 3.6.3 Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with



a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

### 3.6.4 Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Company only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

### 3.6.5 Trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

### 3.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

### 3.8 Forborne and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3.

### 3.9 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.





## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Company's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA). Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. The Company estimates the value of its own credit from market observable data, such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debts on itself.

The Company evaluates the leveling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

### 3.10 Foreign currency translation

#### 3.10.1 Functional and presentational currency

The Standalone financial statements are presented in INR which is also functional currency of the company. The Company determines the functional currency and items included in the financial statements are measured using that functional currency. The Company uses the direct method of standalone.

#### 3.10.2 Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

### 3.11 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.





For arrangements entered into prior to April 1, 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

### 3.11.1 Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

### 3.11.2 Company as a lessor

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit or loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 3.12 Recognition of income and expenses

### INCOME

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Income related to service is recognise as per principles of the IND AS 115 as mentioned above.

### 3.12.1 Interest Income

Interest Income is recognised as per policy mentioned in Note No 3.1

### 3.12.2 Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.



## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

#### 3.12.3 **EXPENSE**

##### 3.12.3.1 **Finance Cost**

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed

- I). As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- II). By considering all the contractual terms of the financial instrument in estimating the cash flows.
- III). Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

##### 3.12.3.2 **Employee Benefits Expense**

Employee benefits expense is recognised as per policy mentioned in Note No 3.17

##### 3.12.3.3 **Other Income and expenses**

All other Income and expenses are recognised in the period they occur.

#### 3.13 **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### 3.14 **Property, plant and equipment**

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are, as follows:

| Asset Description                    | Useful life of Asset (In Years) |
|--------------------------------------|---------------------------------|
| Buildings                            | 3 to 39                         |
| Office equipments                    | 2 to 5                          |
| Server and Networks                  | 5 to 6                          |
| Laptop and Desktop                   | 3                               |
| Electrical Installation & Equipments | 5 to 10                         |
| Furniture & Fixtures                 | 5 to 10                         |
| Car                                  | 5 to 8                          |
| Bike                                 | 6 to 10                         |

Individual assets costing up to ₹ 5,000 are fully depreciated / amortized in the year in which they are acquired.

The Company depreciates certain items of building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.



The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

### 3.15 Intangible assets

Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated depreciation and accumulated Impairment losses, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Computer software which is not an Integral part of the related hardware is classified as an intangible asset and is belong amortised over the estimated useful life. The estimated useful lives of Intangible assets are 5 years.

### 3.16 Impairments of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired and when circumstances indicate that the carrying value may be impaired. The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



### 3.17 Retirement and other employee benefits

#### Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short term benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

#### Compensated absences

Compensated absences accruing to employees and which can be carried to future periods but where there are restriction on availment or encashment or where the availment or encashment is not expected to occur wholly within next twelve months, the liability on account of benefits is determined actuarially using the projected unit credit method.

#### Defined Benefit Plans - Gratuity and Provident Fund

##### Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### Gratuity

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

### 3.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.



### 3.19 Taxes

#### 3.19.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### 3.19.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the



carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

#### 3.20 Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

#### 3.21 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

#### 3.22 Non-current assets held for sale and disposal Company's

The Company classifies non-current assets and disposal Company as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal Company is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal company), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal Company to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset (or disposal Company),

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

The asset (or disposal Company) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale/for distribution to owners and disposal company are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised. A disposal Company qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and Represents a separate major line of business or geographical area of operations is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Or

Is a subsidiary acquired exclusively with a view to resale Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.





#### 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Judgments

In the process of applying the company's accounting policies, management has made the following judgments, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### 4.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The company determines the business model at a level that reflects how company of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The company monitors financial assets measured at amortised cost or fair value through other comprehensive income 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. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

##### 4.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note No. 32.

##### 4.3 Effective Interest Rate (EIR) method

The company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

##### 4.4 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment





losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

The company's internal credit grading model, which assigns PDs to the individual grades.

The company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.

The segmentation of financial assets when their ECL is assessed on a collective basis.

Development of ECL models, including the various formulas and the choice of inputs.

Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

#### **4.5 Provisions and other contingent liabilities**

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the company's business.

When the company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

## **5. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ('MCA') through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019.

### **Ind AS 116: Leases**

Adoption of Ind AS 116 will result in the Company recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. Instead of recognising an operating expense for its operating lease payments, the Company will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company is still assessing the impact of the standard on its financial statements.



(Amount in ₹ lakhs, unless otherwise stated)

**6. Cash and Cash Equivalents**

| Particulars                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Cash in hand                           | 0.32                    | 1.68                    | 1.33                   |
| Balances with banks                    |                         |                         |                        |
| On current accounts                    | 342.62                  | 34.82                   | 402.82                 |
| Stamp Papers in hand                   | 1.57                    | 1.81                    | 1.86                   |
| <b>Total cash and cash equivalents</b> | <b>344.51</b>           | <b>38.31</b>            | <b>406.02</b>          |

**7. Bank Balances other than Cash and Cash Equivalent**

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>Current</b>   |                         |                         |                        |
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date ** | 4.40                    | 52.41                   | 58.50                  |
|  | 4.40                    | 52.41                   | 58.50                  |

Fixed deposit and other balances with banks earns interest at fixed rate.

\*\* Fixed deposit balances are the FD's with statutory authorities of ₹ 4.40 Lakhs ( previous year March 31, 2018 - ₹ 4.40 Lakhs)

**8. Loans**

| Particulars                                      | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>(Unsecured)</b>                               |                         |                         |                        |
| <b><u>At Amortised Cost</u></b>                  |                         |                         |                        |
| Loans to related parties                         | 225.00                  | 529.00                  | 8,992.73               |
| Loans to others                                  | 7,361.71                | 7,361.71                | 1.00                   |
| <b>Total (A) - Gross</b>                         | <b>7,586.71</b>         | <b>7,890.71</b>         | <b>8,993.73</b>        |
| *(refer note A below for ANR Securities Pvt Ltd) |                         |                         |                        |
| Less: Impairment loss allowance                  | 7,586.71                | 7,615.11                | 1,015.28               |
| <b>Total (A) - Net</b>                           | <b>-</b>                | <b>275.60</b>           | <b>7,978.46</b>        |
| <b><u>Unsecured</u></b>                          | <b>7,586.71</b>         | <b>7,890.71</b>         | <b>8,993.73</b>        |
| <b>Total (B) - Gross</b>                         | <b>7,586.71</b>         | <b>7,890.71</b>         | <b>8,993.73</b>        |
| Less: Impairment loss allowance                  | 7,586.71                | 7,615.11                | 1,015.28               |
| <b>Total (B) - Net</b>                           | <b>-</b>                | <b>275.60</b>           | <b>7,978.46</b>        |
| <b><u>Loans in India - Others</u></b>            | <b>7,586.71</b>         | <b>7,890.71</b>         | <b>8,993.73</b>        |
| <b>Total (C) - Gross</b>                         | <b>7,586.71</b>         | <b>7,890.71</b>         | <b>8,993.73</b>        |
| Less: Impairment loss allowance                  | 7,586.71                | 7,615.11                | 1,015.28               |
| <b>Total (C) - Net</b>                           | <b>-</b>                | <b>275.60</b>           | <b>7,978.46</b>        |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

- A The Company has filed a petition under section 7 of Insolvency and Bankruptcy Code, 2016 against ANR Securities Private Limited on October 09, 2018 for recovery of outstanding loan amount of ₹ 8,139.66 Lakhs. The arguments were heard, however the Order reserved by Hon'ble NCLT on the admission of petition has been stayed by the Hon'ble Supreme Court vide order dated April 05, 2019.

### 8.1 Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

(Amount in ₹ lakhs, unless otherwise stated)

| Internal Rating Grade | March 31, 2019 |         |                 |                 |
|-----------------------|----------------|---------|-----------------|-----------------|
|                       | Stage 1        | Stage 2 | Stage 3         | Total           |
| Standard              | -              | -       | -               | -               |
| Sub-Standard          | -              | -       | -               | -               |
| Doubtful              | -              | -       | 7,586.71        | 7,586.71        |
| Loss                  | -              | -       | -               | -               |
| <b>Total</b>          | -              | -       | <b>7,586.71</b> | <b>7,586.71</b> |
|                       |                |         |                 |                 |
| Internal Rating Grade | March 31, 2018 |         |                 |                 |
|                       | Stage 1        | Stage 2 | Stage 3         | Total           |
| Standard              | -              | -       | 275.60          | 275.60          |
| Sub-Standard          | -              | -       | -               | -               |
| Doubtful              | -              | -       | 7,615.11        | 7,615.11        |
| Loss                  | -              | -       | -               | -               |
| <b>Total</b>          | -              | -       | <b>7,890.71</b> | <b>7,890.71</b> |
|                       |                |         |                 |                 |
| Internal Rating Grade | April 01, 2017 |         |                 |                 |
|                       | Stage 1        | Stage 2 | Stage 3         | Total           |
| Standard              | -              | -       | 7,978.46        | 7,978.46        |
| Sub-Standard          | -              | -       | -               | -               |
| Doubtful              | -              | -       | 1,015.28        | 1,015.28        |
| Loss                  | -              | -       | -               | -               |
| <b>Total</b>          | -              | -       | <b>8,993.73</b> | <b>8,993.73</b> |



(Amount in ₹ lakhs, unless otherwise stated)

**9 Investments**

| Investments   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| <b>Investments measured at Fair Value through Profit or Loss</b>                      |                         |                         |                        |
| (A) Mutual funds/Venture Capital funds/Alternative Investment funds                   | <b>1,026.84</b>         | 1,243.05                | 1,457.39               |
| <b>Investments measured at Amortised Cost</b>   |                         |                         |                        |
| Debt securities   | -                       | 2,000.00                | 991.21                 |
| <b>Investments measured at Cost</b>   |                         |                         |                        |
| Investment in Equity instruments of Subsidiaries (fully paid up)**                    | <b>233,856.53</b>       | 222,644.02              | 216,142.52             |
| Investment in Equity instruments of others (fully paid up)                            | <b>2,823.33</b>         | 2,823.33                | 2,823.33               |
| Investment in Equity instruments of Subsidiary (partly paid up)(refer note 47(h))     | <b>38,555.00</b>        | 38,555.00               | 38,555.00              |
| Investment in Equity instruments of Joint Ventures (fully paid up)                    | <b>350.00</b>           | 350.00                  | 350.00                 |
| Investment in Preference instruments of Subsidiary (fully paid up) (refer note 47(h)) | <b>18,500.00</b>        | 18,500.00               | 18,500.00              |
| Investment in Preference instruments of others (fully paid up)                        | <b>40.95</b>            | 40.95                   | 40.95                  |
| <b>Total - Gross (A)</b>  | <b>295,152.65</b>       | 286,156.35              | 278,860.41             |
| (i) Investments outside India   |                         |                         |                        |
| (ii) Investments in India   | <b>295,152.65</b>       | 286,156.35              | 278,860.41             |
| <b>Total (B)</b>  | <b>295,152.65</b>       | 286,156.35              | 278,860.41             |
| Total (A) to tally with (B)   |                         |                         |                        |
| Less: Allowance for Impairment loss *   | <b>62,105.04</b>        | 62,105.04               | 62,104.54              |
| Less Impairment losses on Investment in subsidiaries #                                | <b>21,838.20</b>        | 11,903.96               | -                      |
| <b>Total - Net D= (A)-(C)</b>   | <b>211,209.41</b>       | 212,147.35              | 216,755.86             |

\* Provision for diminution in value of its long term investments has been made in accounts upto FY 2016-17 ₹ 62,104.55 lakhs and ₹ 0.50 lakhs during FY 2017-18.

\*\* On transition date, IND AS 101 allow an entities to treat fair value as deemed cost for investments held in subsidiary companies. Accordingly, the Company has elected to treat fair value as at April 01, 2017 as deemed cost for its investment held in subsidiary companies which is carried at ₹ 213,706.89 Lakhs. The aggregate adjustment to carrying amount reported under previous GAAP is ₹ 54,117.50 Lakhs.

# Subsequently all investment checked for impairment losses every year. Investment checked for impairment testing and impairment loss on investment calculated and recorded as expense of ₹ 11,903.96 lakhs through Profit and Loss account during FY 2017-18 and ₹ 9,934.24 lakhs during FY 2018-19.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### (A) Current Investments

| Particulars  | As at<br>March 31, 2019 |               | As at<br>March 31, 2018 |                 | As at<br>April 1, 2017 |                 |
|--|-------------------------|---------------|-------------------------|-----------------|------------------------|-----------------|
|  | No of<br>Share          | Amount        | No of<br>Share          | Amount          | No of<br>Share         | Amount          |
| 1 Investment in Equity Shares of subsidiaries  |                         |               |                         |                 |                        |                 |
| - Cerestra Advisors Limited  | -                       | -             | -                       | -               | -                      | 249.85          |
| - Religare Heal Fund Advisors LLP  | -                       | -             | -                       | -               | -                      | 0.01            |
| 2 Investment in Commercial Papers  |                         |               |                         |                 |                        |                 |
| - Religare Comtrade Limited  | -                       | -             | -                       | -               | -                      | 991.21          |
| 3 Investment in Venture Capital Fund   |                         |               |                         |                 |                        |                 |
| - India Build Out- Fund- I   | -                       | 263.75        | -                       | 238.95          | -                      | 243.24          |
| -India Build Out -Fund- I -Class B units   | -                       | 1.70          | -                       | 1.70            | -                      | 1.70            |
| -Milestone Army Trust-Class B units  | -                       | 0.04          | -                       | 0.04            | -                      | 0.04            |
| 4 Investment in Mutual Fund  |                         |               |                         |                 |                        |                 |
| DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Growth   | -                       | -             | -                       | -               | -                      | 10.00           |
| 5 Investments in Debentures  |                         |               |                         |                 |                        |                 |
| - Religare Comtrade Limited-12.50% Unsecured unrated unlisted Compulsory Convertible Debentures (CCD-II) | -                       | -             | 250.00                  | -               | -                      | -               |
| - 'Religare Comtrade Limited-13% Non Convertible Debentures  | -                       | -             | 200.00                  | 2,000.00        | -                      | -               |
| <b>TOTAL (A)</b>   | <b>-</b>                | <b>265.49</b> |                         | <b>2,240.69</b> |                        | <b>1,496.05</b> |

### (B) Non Current Investments

| Particulars   | As at<br>March 31, 2019 |            | As at<br>March 31, 2018 |            | As at<br>April 1, 2017 |            |
|---|-------------------------|------------|-------------------------|------------|------------------------|------------|
|   | No of Share             | Amount     | No of Share             | Amount     | No of Share            | Amount     |
| 1 Investment in Equity Shares of subsidiaries                               |                         |            |                         |            |                        |            |
| - Religare Finvest Limited  | 224,454,083             | 61,746.44  | 224,454,083             | 61,746.44  | 224,454,083            | 61,746.44  |
| - Religare Health Insurance Company Limited                                 | 617,392,749             | 134,807.86 | 540,009,810             | 123,808.01 | 472,534,260            | 117,060.46 |
| - Religare Broking Limited  | 180,795,817             | 34,900.00  | 180,795,817             | 34,900.00  | 180,795,817            | 34,900.00  |
| - Religare Insurance Limited  | 5,000                   | 0.50       | 5,000                   | 0.50       | 5,000                  | 0.50       |
| - Religare Comtrade Limited   | 27,126,712              | 212.67     | -                       | -          | -                      | -          |
| - Religare Credit Advisors Pvt Ltd (erstwhile Religare Credit Advisors LLP) | 9,398,262               | 2,185.26   | 9,398,262               | 2,185.26   | -                      | 2,185.26   |
| - Religare Broking Limited (Corporate Guarantee given) <sup>§</sup>         | -                       | 3.80       | -                       | 3.80       | -                      | -          |
| - Religare Global Asset Management Inc. (U.S.A.)                            | 10                      | -          | 10                      | -          | -                      | -          |
| - ARGIL Advisors LLP  | -                       | -          | -                       | 0.01       | -                      | 0.01       |



| Particulars |   | As at<br>March 31, 2019 |                   | As at<br>March 31, 2018 |             | As at<br>April 1, 2017 |             |
|-------------|---|-------------------------|-------------------|-------------------------|-------------|------------------------|-------------|
|             |   | No of Share             | Amount            | No of Share             | Amount      | No of Share            | Amount      |
| 2           | Less: Allowance for Impairment loss   | -                       | (2,185.76)        |                         | (2,185.76)  | -                      | (2,185.26)  |
|             | Less: Impairment losses on Investment in subsidiaries                                 |                         | (21,838.20)       |                         | (11,903.96) |                        | -           |
|             |   |                         | <b>209,832.57</b> |                         | 208,554.30  |                        | 213,707.41  |
|             | Investment in Equity Shares of Joint venture  |                         |                   |                         |             |                        |             |
| 3           | - IBOF Investment Management Private Limited  | <b>3,499,999</b>        | <b>350.00</b>     | 3,499,999               | 350.00      | 3,499,999              | 350.00      |
|             |   |                         | <b>350.00</b>     |                         | 350.00      |                        | 350.00      |
| 4           | Investment in Equity instruments of Subsidiary (partly paid up) (refer note 47(h))    |                         |                   |                         |             |                        |             |
|             | -Religare Capital Markets Limited   | <b>81,550,000</b>       | <b>38,555.00</b>  | 81,550,000              | 38,555.00   | 81,550,000             | 38,555.00   |
|             | Less: Allowance for Impairment loss   |                         | (38,555.00)       |                         | (38,555.00) |                        | (38,555.00) |
|             |   |                         | -                 |                         | -           |                        | -           |
| 5           | Investment in Equity Shares of other body corporate                                   |                         |                   |                         |             |                        |             |
|             | - Netambit Infosource & E-Services Private Limited                                    | <b>67,536</b>           | <b>2,823.33</b>   | 67,536                  | 2,823.33    | 67,536                 | 2,823.33    |
|             | Less: Allowance for Impairment loss   |                         | (2,823.33)        |                         | (2,823.33)  |                        | (2,823.33)  |
|             |   |                         | -                 |                         | -           |                        | -           |
| 6           | Investment in Preference instruments of Subsidiary (fully paid up) (refer note 47(h)) |                         |                   |                         |             |                        |             |
|             | -Religare Capital Markets Limited   |                         |                   |                         |             |                        |             |
|             | 0.002 % Cumulative Non-Convertible  | <b>170,000,000</b>      | <b>17,000.00</b>  | 170,000,000             | 17,000.00   | 170,000,000            | 17,000.00   |
|             | 0.003 % Cumulative Non-Convertible  | <b>5,000,000</b>        | <b>500.00</b>     | 5,000,000               | 500.00      | 5,000,000              | 500.00      |
|             | 0.004 % Cumulative Non-Convertible  | <b>10,000,000</b>       | <b>1,000.00</b>   | 10,000,000              | 1,000.00    | 10,000,000             | 1,000.00    |
|             | Less: Allowance for Impairment loss   |                         | (18,500.00)       |                         | (18,500.00) |                        | (18,500.00) |
|             |   |                         | -                 |                         | -           |                        | -           |
| 6           | Investments in Preference Shares Of Others  |                         |                   |                         |             |                        |             |
|             | - Netambit Infosource & E-Services Private Limited                                    |                         |                   |                         |             |                        |             |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

| Particulars  | As at<br>March 31, 2019 |                   | As at<br>March 31, 2018 |                   | As at<br>April 1, 2017 |                   |
|--|-------------------------|-------------------|-------------------------|-------------------|------------------------|-------------------|
|  | No of Share             | Amount            | No of Share             | Amount            | No of Share            | Amount            |
| Compulsory Convertible Cumulative Preferred Participatory Series E Preference Shares Tranche -1 & 2 -Coupon Rate 0.01% | 40,952                  | 40.95             | 40,952                  | 40.95             | 40,952                 | 40.95             |
| Less: Allowance for Impairment loss  |                         | (40.95)           |                         | (40.95)           |                        | (40.95)           |
| 7 Investments in Debentures  |                         |                   |                         |                   |                        |                   |
| - Religare Comtrade Limited-16% Compulsory Convertible Debentures  |                         | -                 |                         | -                 | 250                    | -                 |
| 8 Investment in Alternative Investment Fund  |                         |                   |                         |                   |                        |                   |
| - Religare Credit Investments Trust  |                         | 51.20             |                         | 73.94             | 182                    | 279.11            |
| - Cerestra Infrastructure Trust  | 386                     | 481.88            | 386                     | 481.88            | 386                    | 403.70            |
| - YourNest Angel Fund  |                         | -                 |                         | -                 | 15,179                 | 0.15              |
| - India Bulls Real Estate Fund Category II AIF   |                         | 228.27            |                         | 446.55            |                        | 519.45            |
|  |                         | 761.35            |                         | 1,002.36          |                        | 1,202.41          |
| <b>TOTAL (B)</b>   |                         | <b>210,943.92</b> |                         | <b>209,906.66</b> |                        | <b>215,259.81</b> |
| <b>TOTAL (A) + (B)</b>   |                         | <b>211,209.41</b> |                         | <b>212,147.35</b> |                        | <b>216,755.86</b> |

\$ In accordance with IND AS , Notional Income recognised @ 0.25% on Corporate Guarantee given to Religare Broking Limited

### 10. Other Financial Assets

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Security Deposits  | 786.92                  | 782.82                  | 1,169.91               |
| Less: ECL against security deposits  | (126.03)                | (126.03)                | -                      |
| Interest accrued but not due on inter corporate loans (from related parties)             | 15.62                   | 107.52                  | 331.15                 |
| Less: ECL against Interest Accrued   | (15.62)                 | (15.62)                 | -                      |
| Interest accrued but not due on inter corporate loans (from non related parties)         | 34.57                   | 34.57                   | -                      |
| Less: ECL against Interest Accrued   | (34.57)                 | (30.80)                 | -                      |
| Interest accrued on Fixed Deposit  | 0.29                    | 1.59                    | 2.62                   |
| Recoverable for Support services*  | 763.51                  | 554.02                  | 693.68                 |
| Less: ECL against recoverable for Support services                                       | (610.41)                | (471.04)                | (103.52)               |
| Deferred Consideration against Sale of Investment of a subsidiary company                | -                       | -                       | 113.90                 |
| Less: ECL against Deferred Consideration   | -                       | -                       | (69.00)                |
| Staff Advances   | 28.75                   | 11.74                   | 16.40                  |
| Advance given to employees to finance exercise of the options under ESOP of RHICL        | 1,499.99                | -                       | -                      |
| Other Receivables  | -                       | -                       | 18.71                  |
| In Fixed deposit accounts with maturity for more than 12 months from balance sheet date. | 1.00                    | 10.96                   | 0.50                   |
| <b>Total</b>   | <b>2,344.02</b>         | <b>859.73</b>           | <b>2,174.35</b>        |





(Amount in ₹ lakhs, unless otherwise stated)

| <b>*Recoverable for Support services</b>                         | <b>As at<br/>March 31, 2019</b> | <b>As at<br/>March 31, 2018</b> | <b>As at<br/>April 1, 2017</b> |
|--|---------------------------------|---------------------------------|--------------------------------|
| Other receivables considered good-secured                        | -                               | -                               | -                              |
| Other receivables considered good-unsecured                      | 763.51                          | 554.02                          | 693.68                         |
| Other receivables which have significant increase in credit risk | -                               | -                               | -                              |
| Other receivables - credit impaired                              | -                               | -                               | -                              |
|  | 763.51                          | 554.02                          | 693.68                         |
| ECL against Recoverable  | (610.41)                        | (471.04)                        | (103.52)                       |
| <b>Total</b>   | <b>153.10</b>                   | <b>82.98</b>                    | <b>590.16</b>                  |
| <b>Further classified as :</b>                                   |                                 |                                 |                                |
| <b>Receivable from related parties</b>                           | <b>690.37</b>                   | <b>495.11</b>                   | <b>582.81</b>                  |
| <b>Receivable from Others</b>                                    | <b>73.14</b>                    | <b>58.91</b>                    | <b>110.87</b>                  |
|  | 763.51                          | 554.02                          | 693.68                         |

**11. Current Tax Asset (Net)**

| <b>Particulars</b>  | <b>As at<br/>March 31, 2019</b> | <b>As at<br/>March 31, 2018</b> | <b>As at<br/>April 1, 2017</b> |
|---|---------------------------------|---------------------------------|--------------------------------|
| <b>Current Tax Asset (Net)</b>  |                                 |                                 |                                |
| Advance income tax (net of provisions of March 31,2019 : ₹ 27,350.97 Lakhs , March 31,2018: ₹ 32,365.84 Lakhs and April 01,2017: ₹ 31,422.18 Lakhs) | 5,472.11                        | 8,773.49                        | 8,610.17                       |
| <b>Total</b>  | <b>5,472.11</b>                 | <b>8,773.49</b>                 | <b>8,610.17</b>                |

**12. Deferred Tax Assets (Net)**

| <b>Particulars</b>                 | <b>As at<br/>March 31, 2019</b> | <b>As at<br/>March 31, 2018</b> | <b>As at<br/>April 1, 2017</b> |
|------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| <b>Deferred Tax Assets (Net)</b>   |                                 |                                 |                                |
| On provision for employee benefits | 1.97                            | -                               | 10.44                          |
| Unabsorbed depreciation            | -                               | -                               | 1.82                           |
| MAT Credit                         | 171.59                          | 171.59                          | 669.26                         |
| <b>Total</b>                       | <b>173.56</b>                   | <b>171.59</b>                   | <b>681.52</b>                  |



13. Property, Plant and Equipment's (Amount in ₹ lakhs, unless otherwise stated)

| Particulars                      | Gross block         |                        |                         | Depreciation         |              |                         | Net block            |                      |
|----------------------------------|---------------------|------------------------|-------------------------|----------------------|--------------|-------------------------|----------------------|----------------------|
|                                  | As at April 1, 2018 | Additions/ Adjustments | Deductions/ Adjustments | As at March 31, 2019 | For the year | Deductions/ Adjustments | As at March 31, 2019 | As at March 31, 2018 |
| Land                             | 24.71               | -                      | -                       | 24.71                | -            | -                       | 24.71                | 24.71                |
| Computer systems and peripherals | 17.61               | 5.42                   | 0.30                    | 22.73                | 5.22         | -                       | 10.65                | 10.75                |
| Vehicles                         | 123.31              | -                      | -                       | 123.31               | 24.91        | -                       | 64.54                | 89.45                |
| Leasehold improvement            | 4.71                | -                      | -                       | 4.71                 | -            | -                       | -                    | -                    |
| Furniture and Fixture            | 14.39               | -                      | 2.97                    | 11.42                | 3.57         | -                       | 1.84                 | 8.39                 |
| Office Equipment                 | 14.26               | 3.23                   | 0.85                    | 16.64                | 4.81         | -                       | 6.90                 | 9.34                 |
| <b>Total</b>                     | <b>198.99</b>       | <b>8.65</b>            | <b>4.12</b>             | <b>203.52</b>        | <b>38.51</b> | <b>-</b>                | <b>108.64</b>        | <b>142.63</b>        |

| Particulars                      | Gross block                       |                        |                         | Depreciation        |              |                         | Net block            |                     |
|----------------------------------|-----------------------------------|------------------------|-------------------------|---------------------|--------------|-------------------------|----------------------|---------------------|
|                                  | As at April 1, 2017 (Deemed Cost) | Additions/ Adjustments | Deductions/ Adjustments | As at March 31 2018 | For the year | Deductions/ Adjustments | As at March 31, 2018 | As at April 1, 2017 |
| Land                             | 24.71                             | -                      | -                       | 24.71               | -            | -                       | 24.71                | 24.71               |
| Computer systems and peripherals | 16.89                             | 1.16                   | 0.44                    | 17.61               | 7.30         | 0.44                    | 10.75                | 16.89               |
| Vehicles                         | 129.70                            | -                      | 6.39                    | 123.31              | 39.17        | 5.31                    | 89.45                | 129.70              |
| Leasehold improvement            | 9.52                              | -                      | 4.81                    | 4.71                | 4.71         | -                       | -                    | 9.52                |
| Furniture and Fixture            | 14.39                             | -                      | -                       | 14.39               | 6.00         | -                       | 8.39                 | 14.39               |
| Office Equipment                 | 14.13                             | 0.13                   | -                       | 14.26               | 4.92         | -                       | 9.34                 | 14.13               |
| <b>Total</b>                     | <b>209.35</b>                     | <b>1.29</b>            | <b>11.64</b>            | <b>199.00</b>       | <b>62.11</b> | <b>5.75</b>             | <b>142.63</b>        | <b>209.35</b>       |

13.1 There are no adjustments to Property, Plant and Equipment - Tangible Assets on account of borrowing costs and exchange differences. There is no revaluation of assets during the period/ year.

13.2 Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost or revalued amount are recognised in the Statement of Profit and Loss.

13.3 The title deeds in respect of land are in the name of the Company. The charge on the land pertaining to NCDs has been vacated in July 2017.



#### 14. Intangible Assets

(Amount in ₹ lakhs, unless otherwise stated)

For the year ended March 31, 2019

| Particulars                        | Gross block         |                        |                         |                      | Amortisation        |              |                         | Net block            |                      |
|------------------------------------|---------------------|------------------------|-------------------------|----------------------|---------------------|--------------|-------------------------|----------------------|----------------------|
|                                    | As at April 1, 2018 | Additions/ Adjustments | Deductions/ Adjustments | As at March 31, 2019 | As at April 1, 2018 | For the year | Deductions/ Adjustments | As at March 31, 2019 | As at March 31, 2018 |
| Computer Software                  | 229.66              | -                      | -                       | 229.66               | 143.80              | 46.91        | 0.09                    | 190.62               | 85.86                |
| Intangible asset under development | -                   | -                      | -                       | -                    | -                   | -            | -                       | -                    | -                    |
| <b>Total</b>                       | <b>229.66</b>       | <b>-</b>               | <b>-</b>                | <b>229.66</b>        | <b>143.80</b>       | <b>46.91</b> | <b>0.09</b>             | <b>190.62</b>        | <b>85.86</b>         |

For the year ended March 31, 2018

| Particulars                        | Gross block                       |                        |                         |                      | Depreciation        |               |                         | Net block            |                     |
|------------------------------------|-----------------------------------|------------------------|-------------------------|----------------------|---------------------|---------------|-------------------------|----------------------|---------------------|
|                                    | As at April 1, 2017 (Deemed Cost) | Additions/ Adjustments | Deductions/ Adjustments | As at March 31, 2018 | As at April 1, 2017 | For the year  | Deductions/ Adjustments | As at March 31, 2018 | As at April 1, 2017 |
| Computer Software                  | 228.73                            | 0.93                   | -                       | 229.66               | -                   | 143.80        | -                       | 143.80               | 228.73              |
| Intangible asset under development | -                                 | -                      | -                       | -                    | -                   | -             | -                       | -                    | -                   |
| <b>Total</b>                       | <b>228.73</b>                     | <b>0.93</b>            | <b>-</b>                | <b>229.66</b>        | <b>-</b>            | <b>143.80</b> | <b>-</b>                | <b>143.80</b>        | <b>228.73</b>       |

14.1 There are no adjustments to Intangible Assets on account of borrowing costs and exchange differences. There is no revaluation of assets during the year.

14.2 Losses arising from the retirement of, and gains or losses arising from disposal of intangible assets which are carried at cost or revalued amount are recognised in the Statement of Profit and Loss.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 15. Other Non Financial Assets

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---|-------------------------|-------------------------|------------------------|
| Balance with government authorities (other than Income tax) | 944.55                  | 1,011.95                | 853.03                 |
| Prepaid expenses  | 22.44                   | 73.51                   | 105.43                 |
| Deposits paid under protest                                 | 119.67                  | 89.67                   | 82.81                  |
| Advances to related parties (for services)                  | 1,326.50                | 1,414.81                | 26.08                  |
| Less: ECL on advances from related parties                  | (1,326.50)              | (1,326.50)              | -                      |
| Advances to others (for services)                           | 98.27                   | 103.29                  | 155.26                 |
| Less: ECL on advances to others                             | (47.67)                 | -                       | -                      |
| Art works   | 1.78                    | 1.78                    | 1.78                   |
| Assets Acquired in satisfaction of Receivables**            | 363.97                  | 363.97                  | 363.97                 |
| <b>Total</b>  | <b>1,503.01</b>         | <b>1,732.48</b>         | <b>1,588.36</b>        |

\*\* Pursuant to the approved Scheme of Arrangement, the asset (land & Building) transferred from erstwhile "Religare Securities Limited" (RSL). The title of the acquired asset is in the name of erstwhile Religare Securities Limited. The Net Realisable Value of asset as on March 31, 2019 is ₹ 40,006,159/-

### 16. Debt Securities

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b><u>Debt Securities measured at Amortised Cost</u></b> |                         |                         |                        |
| Liability portion of redeemable debentures               | -                       | -                       | 14,610.00              |
| Commercial paper   | -                       | 2,966.47                | 19,229.92              |
| <b>Total (A)</b>   | -                       | 2,966.47                | 33,839.92              |
| Debt securities in India                                 | -                       | 2,966.47                | 33,839.92              |
| Debt securities outside India                            | -                       | -                       | -                      |
| <b>Total (B) to tally with (A)</b>                       | -                       | 2,966.47                | 33,839.92              |

#### Debts Securities

#### Commercial Papers- Terms of repayment

| Particulars                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017  |
|--------------------------------|-------------------------|-------------------------|-------------------------|
| Discount Rate (Range)          | -                       | 9.73%                   | 7.5% to 11%             |
| Issued date to Redemption date | -                       | May'2017 to<br>May'2018 | Apr'2016 to<br>Aug'2017 |
| Total Outstanding Balance      | -                       | 3,000.00                | 19,400.00               |
| Less : Unamortised Discount    | -                       | (33.53)                 | (170.08)                |
| <b>Total</b>                   | -                       | 2,966.47                | 19,229.92               |



(Amount in ₹ lakhs, unless otherwise stated)

**Liability portion of Non Convertible Debentures ( NCD's)**

Detail of privately placed Secured Non Convertible Debenture( NCD's) outstanding as March 31, 2019 , March 31, 2018 and March 31, 2017 are as below:

| Coupon Rate  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--------------|-------------------------|-------------------------|------------------------|
| 14%          | -                       | -                       | 13,610.00              |
| Zero%        | -                       | -                       | 1,000.00               |
| <b>Total</b> | -                       | -                       | 14,610.00              |

The above listed Non Convertible Debentures ( NCD's) are privately placed with FIIs/Corporates/ Banks and Trust and were secured by way of first mortgage/charge on the company's asset and investment in Equity Shares of its certain subsidiaries and the assets cover thereof exceeds hundred percent of the principal amount of the said debentures. Detail of secured NCD's is as follows:

Term of repayment of Non Convertible Debenture (NCD's)

| Particulars            | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|------------------------|-------------------------|-------------------------|------------------------|
| <u>14% NCD's</u>       |                         |                         |                        |
| Date of allotment      | -                       | -                       | March 28, 2013         |
| Redemption date        | -                       | -                       | June 30, 2017          |
| Next Interest Due date | -                       | -                       | June 30, 2017          |
| <u>Zero % NCD</u>      |                         |                         |                        |
| Date of allotment      | -                       | -                       | March 28, 2013         |
| Redemption date        | -                       | -                       | March 28, 2018         |
| Next Interest Due date | -                       | -                       | NA                     |

Interest and Principal have been paid on the due dates. The Company domestic ratings has revised from 'IND AA-/Stable' to 'IND A1/ Watch Negative' from India Ratings & Research Private Limited in respect of its borrowing in form of Non Convertible Debentures (NCD).

On March 28, 2013, the company had allotted 14% secured NCD's of face value ₹ 1,000,000/- each which were secured by charge over land of the Company in Gujarat and pledge over 100% equity shares of Religare Finvest Limited. The principal amount and interest had been paid on the due date(s) upto June 30, 2017. The charge on the land has been vacated in July, 2017.

Further, the Company had also allotted Zero Coupon Rated Listed Secured Non Convertible Debentures of face value of ₹ 1,000,000 each which are secured by charge over land of the Company in Gujarat and pledge over 2,735,914 (Previous Year 2,735,914) equity shares of Religare Securities Limited and 10,650,000 preference shares of RGAM Investment Advisers Private Limited (Previous Year 10,650,000 preference shares of RGAM Investment Advisers Private Limited) held by the Company. The charge on debenture has been satisfied on April 05, 2018.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 17. Borrowings (Other than Debt Securities)

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>Borrowings measured at Amortised Cost</b>           |                         |                         |                        |
| <b>Unsecured</b>                                       |                         |                         |                        |
| (a) Loans from related parties                         | <b>28,046.93</b>        | 44,818.04               | 675.46                 |
| (b) Loans repayable on demand                          |                         |                         |                        |
| (i) from other parties                                 | <b>2,550.67</b>         | 154.00                  | 5,230.00               |
| (c) Liability portion of redeemable preference shares* | <b>7,461.14</b>         | 6,883.59                | 6,201.43               |
| <b>Total (A)</b>                                       | <b>38,058.74</b>        | 51,855.63               | 12,106.89              |
| Borrowings in India                                    | <b>38,058.74</b>        | 51,855.63               | 12,106.89              |
| Borrowings outside India                               | -                       | -                       | -                      |
| <b>Total (B) to tally with (A)</b>                     | <b>38,058.74</b>        | 51,855.63               | 12,106.89              |

#### Terms of Repayment of Inter Corporates Loans

| Particulars         | Rate of Interest | Repayment detail                      | Amount           |
|---------------------|------------------|---------------------------------------|------------------|
| Related Parties     | 9.5% to 18.75%   | Payable on Maturity & Quarterly basis | 28,046.93        |
| Non Related Parties | 9% to 18%        | Payable on maturity                   | 2,550.67         |
| <b>Total</b>        |                  |                                       | <b>30,597.59</b> |

Liability portion of redeemable preference shares

\* Redeemable preference shares accounted as a financial liability measured initially at the fair value and subsequently at amortised cost with the interest accretion at EIR based on the IRR calculated on the yield thereon

#### (a) **13.66% Cumulative Redeemable preference Share**

The face value of each share is ₹ 10. The share shall have voting rights applicable to the preference share under the company act 2013. Each preference share holder has right to receive in priority to Equity shareholders, preference dividend on cumulative basis at the rate not exceeding 13.66% per financial year. The aggregate shares allotted were 50,000,000 at ₹ 100 (including premium of ₹ 90 per share) of which the company had already redeemed 48,500,000 shares at premium in prior years. The above shares were redeemable at an amount (including premium) not exceeding ₹ 269.36 per share on October 31, 2018.(refer note no 32.6)

#### (b) **0.01% Non Convertible Non Cumulative redeemable preference share**

The face value of each share is ₹ 10. The share shall have voting rights applicable to the preference share under the company act 2013. Each preference share holder has right to receive in priority to Equity shareholder, preference dividend on non cumulative basis at the rate not exceeding 0.01% per financial year. The shares allotted were 25,000,000 in one tranche on August 30, 2016. The above shares are redeemable at an amount (including premium) not exceeding ₹ 16.851 per share on August 30, 2021.



(Amount in ₹ lakhs, unless otherwise stated)

**18. Other Financial Liabilities**

| Particulars                           | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|---------------------------------------|-------------------------|-------------------------|------------------------|
| Interest accrued and due              | 3,794.87                | 18.53                   | 888.84                 |
| Interest accrued but not due          | 245.52                  | 1,192.04                | 1,370.17               |
| Unclaimed Dividend                    | -                       | -                       | 2.09                   |
| Book Overdraft                        | -                       | 379.79                  | 0.95                   |
| Security Deposit (related parties)    | 1,802.48                | 1,802.48                | 2,907.29               |
| Other Payables*                       | 1,054.63                | 4,848.65                | 555.15                 |
| Liability towards letter of comfort** | 9,119.00                | 9,119.00                |                        |
| Margin for vehicle                    | 12.64                   | 16.58                   | 18.03                  |
| <b>Total</b>                          | <b>16,029.14</b>        | <b>17,377.07</b>        | <b>5,742.52</b>        |

\* Includes amount of ₹ 1,041 lakhs payable to Religare Broking Limited on account of transfer under scheme of arrangement.

\*\* As per IND AS any Letter of comfort issued in favour of Subsidiaries or group Companies to be recorded as Financial Liability. During FY 17-18 Financial liability of ₹ 9,119 lakhs has been booked against letter of comfort issued in favour of its subsidiary company "Religare Comtrade Limited" and "Religare Advisors Limited" erstwhile Religare Wealth Management Limited.

**19. Provisions**

| Particulars                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| Provision for employee benefits            |                         |                         |                        |
| Provision for Gratuity (Refer Note no. 38) | -                       | 22.62                   | 50.70                  |
| Provision for Leave Encashment             | 68.85                   | 74.77                   | 114.94                 |
| <b>Total Provisions</b>                    | <b>68.85</b>            | <b>97.39</b>            | <b>165.64</b>          |

**20. Other Non Financial Liabilities**

| Particulars             | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|-------------------------|-------------------------|-------------------------|------------------------|
| Statutory due payable   | 123.33                  | 48.21                   | 272.01                 |
| Advances from customers | -                       | -                       | 205.35                 |
| <b>Total</b>            | <b>123.33</b>           | <b>48.21</b>            | <b>477.36</b>          |





# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 21. Share capital

The Company has only one class of equity share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

|      | Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|------|--|-------------------------|-------------------------|------------------------|
| 21.1 | <b>Authorized Equity Share Capital</b>   | -                       |                         |                        |
|      | 654,450,000 (March 31, 2018: 654,450,000 April 1, 2017: 250,000,000) Equity Shares of ₹ 10 each                              | <b>65,445.00</b>        | 65,445.00               | 25,000.00              |
|      |  | <b>65,445.00</b>        | 65,445.00               | 25,000.00              |
|      | <b>Issued, subscribed and paid up</b>  |                         |                         |                        |
|      | March 31, 2019: 216,942,733 (March 31, 2018: 178,455,248; April 01, 2017: 178,334,498) equity shares of ₹ 10 each fully paid | <b>21,694.27</b>        | 17,845.52               | 17,833.45              |
|      | <b>Total</b>   | <b>21,694.27</b>        | 17,845.52               | 17,833.45              |

#### 21.1(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

| Particulars                              | As at<br>March 31, 2019 |                  | As at<br>March 31, 2018 |           | As at<br>April 1, 2017 |           |
|--|-------------------------|------------------|-------------------------|-----------|------------------------|-----------|
|  | No. of<br>shares        | Amount           | No. of<br>shares        | Amount    | No. of<br>shares       | Amount    |
| Outstanding at the beginning of the year | <b>178,455,248</b>      | <b>17,845.52</b> | 178,334,498             | 17,833.45 | 178,334,498            | 17,833.45 |
| Add: Issued during the year              | <b>38,487,485</b>       | <b>3,848.75</b>  | 120,650                 | 12.07     | -                      | -         |
| Outstanding at the end of the year       | <b>216,942,733</b>      | <b>21,694.27</b> | 178,455,148             | 17,845.52 | 178,334,498            | 17,833.45 |

#### 21.1(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

However, RBI vide letter dated April 05, 2019 has advised the company to stop paying dividends till further orders.

#### 21.1(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of the shareholder   | As at March 31, 2019 |                                 | As at March 31, 2018 |                                 |
|---|----------------------|---------------------------------|----------------------|---------------------------------|
|   | No. of<br>shares     | % of<br>holding in<br>the class | No. of<br>shares     | % of<br>holding in<br>the class |
| <b>a. Equity Shares</b>   |                      |                                 |                      |                                 |
| India Horizon Fund Limited  | <b>17,838,467</b>    | <b>8.22</b>                     | 17,838,467           | 9.99                            |
| Resilient India Growth Fund   | <b>17,638,579</b>    | <b>8.13</b>                     | 17,638,579           | 9.88                            |
| Axis Bank Limited   | <b>15,789,000</b>    | <b>7.42</b>                     | 15,789,000           | 8.85                            |
| Win Sure Trade Invest Private Limited Rock Builders and Developers Private Limited* | <b>12,882,106</b>    | <b>5.94</b>                     | -                    | -                               |
| International Finance Corporation   | <b>12,818,331</b>    | <b>5.91</b>                     | 12,818,331           | 7.18                            |

\*on behalf of Chandrakanta Enterprise

21.1(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

21.1(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.



(Amount in ₹ lakhs, unless otherwise stated)

- 21.2 The Company has preference share capital having a par value of ₹ 10 per share, referred to herein as preference share capital.

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|--|-------------------------|-------------------------|------------------------|
| <b>Authorized</b>  |                         |                         |                        |
| 162,000,000 (April 1, 2017: 100,000,000) Redeemable Preference Shares of ₹ 10 each | <b>16,200.00</b>        | 16,200.00               | 10,000.00              |
| <b>Total</b>   | <b>16,200.00</b>        | 16,200.00               | 10,000.00              |

## 22. Other Equity

|      |  |                                 |                                 |                                |
|------|--|---------------------------------|---------------------------------|--------------------------------|
| 22.1 | <b>Securities premium</b>                        | <b>As at<br/>March 31, 2019</b> | <b>As at<br/>March 31, 2018</b> | <b>As at<br/>April 1, 2017</b> |
|      | Opening balance                                  | <b>352,376.25</b>               | 352,376.25                      | 352,219.27                     |
|      | Add : Securities premium credited on share issue | <b>16,280.21</b>                | -                               | -                              |
|      | <b>Closing balance</b>                           | <b>368,656.46</b>               | 352,376.25                      | 352,219.27                     |

Securities premium 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>Particulars</b>                          | <b>As at<br/>March 31, 2019</b> | <b>As at<br/>March 31, 2018</b> | <b>As at<br/>April 1, 2017</b> |
| 22.2 | <b>Capital Redemption Reserve</b>           |                                 |                                 |                                |
|      | Opening balance                             | <b>123.14</b>                   | 123.14                          | 123.14                         |
|      | Add: Changes during the year                | -                               | -                               | -                              |
|      | <b>Closing balance</b>                      | <b>123.14</b>                   | 123.14                          | 123.14                         |
| 22.3 | <b>Capital Reserve</b>                      |                                 |                                 |                                |
|      | Opening balance                             | <b>6,525.65</b>                 | 6,525.65                        | 6,525.65                       |
|      | Add: Changes during the year                | -                               | -                               | -                              |
|      | <b>Closing balance</b>                      | <b>6,525.65</b>                 | 6,525.65                        | 6,525.65                       |
| 22.4 | <b>General reserve (GR)</b>                 |                                 |                                 |                                |
|      | Opening balance                             | <b>2,654.14</b>                 | 2,654.14                        | 2,654.14                       |
|      | Add: Changes during the year                | -                               | -                               | -                              |
|      | <b>Closing balance</b>                      | <b>2,654.14</b>                 | 2,654.14                        | 2,654.14                       |
| 22.5 | <b>Statutory Reserve</b>                    |                                 |                                 |                                |
|      | Opening balance                             | <b>9,712.63</b>                 | 9,712.63                        | 9,712.63                       |
|      | Add: Changes during the year                | -                               | -                               | -                              |
|      | <b>Closing balance</b>                      | <b>9,712.63</b>                 | 9,712.63                        | 9,712.63                       |
| 22.6 | <b>Retained Earning</b>                     |                                 |                                 |                                |
|      | Opening balance                             | <b>(238,384.31)</b>             | (205,759.16)                    | (242,658.85)                   |
|      | Add: Net profit/(loss) for the current year | <b>(14,611.22)</b>              | (32,625.15)                     | 36,899.69                      |
|      | <b>Closing balance</b>                      | <b>(252,995.53)</b>             | (238,384.31)                    | (205,759.16)                   |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

|      | Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>April 1, 2017 |
|------|---|-------------------------|-------------------------|------------------------|
| 22.7 | <b>Other Comprehensive Income</b>   |                         |                         |                        |
|      | Opening Balance   | (17.75)                 | (6.88)                  | (6.88)                 |
|      | Add :- Remeasurement gain/(loss) on post employment benefit obligation (net of tax) | 16.19                   | (10.87)                 | -                      |
|      |   | (1.56)                  | (17.75)                 | (6.88)                 |
|      | <b>Total other equity</b>   | <b>144,221.02</b>       | 132,989.74              | 165,637.85             |
| 22.8 | <b>Share Application Money</b>  |                         |                         |                        |
|      | Opening balance   | -                       | 169.05                  | 169.05                 |
|      | Changes during the year   | -                       | (169.05)                | -                      |
|      | <b>Closing balance</b>  | -                       | -                       | 169.05                 |
| 22.8 | <b>Money Received against Share Warrants</b>  |                         |                         |                        |
|      | Opening balance   | -                       | -                       | -                      |
|      | Amount received during the year   | 14,578.35               | -                       | -                      |
|      | Less- Utilised toward Equity Allotment  | (5,032.24)              | -                       | -                      |
|      | <b>Closing balance</b>  | <b>9,546.11</b>         | -                       | -                      |

During the year ended March 31, 2019, the Company had allotted 111,497,914 convertible warrants of ₹ 52.30/- per warrant on April 19, 2018 in accordance to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended thereto. Out of same 38,487,485 warrants were converted into equity shares during the year FY 2018-19 and balance 73,010,429 warrants (partly paid) are remaining for conversion as on date.

The Company had fully utilized the funds received from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 sent to shareholders of the Company. There are no unutilized funds under the same as on March 31, 2019

Utilisation of warrant money received ₹ 29,675.07 Lakhs (25% advance ₹ 14,578.35 Lakhs and ₹ 15,096.72 Lakhs on allotment of share) is as follows

|  |                  |
|--|------------------|
| 1. Repayment of Loans (related party)        | 18,188.26        |
| 2. Investments In subsidiary                 | 6,690.68         |
| 3. Payment of liability on account of Merger | 4,000.00         |
| 4. General Corporate Purpose                 | 796.13           |
|  | <b>29,675.07</b> |

### 23. Revenue From Operations - Interest Income

| Particulars   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>On Financial Assets measured at Amortised Cost</b> |                              |                              |
| Interest Income on Short Term Inter Corporate Loans   | 16.54                        | 264.88                       |
| Interest income from Investments                      | 342.15                       | 450.80                       |
| Interest on Fixed Deposits with Banks                 | 2.58                         | 4.27                         |
| Other interest income                                 |                              |                              |
| -Interest on Income Tax Refund                        | 538.17                       | 739.03                       |
| <b>Total</b>  | <b>899.44</b>                | 1,458.98                     |



(Amount in ₹ lakhs, unless otherwise stated)

**24. Revenue from operations (Others)**

| Particulars  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Income from arbitrage & trading                                  | -                            | 24.46                        |
| Profit on Sale/Redemption of Non Current and Current Investments | 13.53                        | 14.38                        |
| <b>Total</b>   | <b>13.53</b>                 | <b>38.84</b>                 |

**25. Other Income**

| Particulars  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Support Service Income   | 2,330.46                     | 3,672.43                     |
| Gain on fair valuation of Mutual fund, venture capital fund and alternative investment funds | -                            | 86.04                        |
| Profit on Sale of property, plant and equipment  | 4.66                         | 2.28                         |
| Income from Sale/Distribution of Non current investments                                     | 89.50                        | 439.62                       |
| Amortization of Corporate Guarantee  | -                            | 3.80                         |
| Miscellaneous Income (including liabilities written back )(net of balances written off)      | 178.98                       | 1,487.45                     |
| <b>Total</b>   | <b>2,603.60</b>              | <b>5,691.62</b>              |

**26. Finance Costs**

| Particulars   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>On Financial liabilities measured at Amortised Cost</b>    |                              |                              |
| Interest on Inter Corporate Loans                             | 3,786.59                     | 2,395.69                     |
| Interest on Non-Convertible Debentures                        | -                            | 645.10                       |
| Interest on liability portion of Redeemable Preference Shares | 577.55                       | 682.15                       |
| Discount on commercial papers                                 | 106.08                       | 1,947.72                     |
| Bank Charges  | -                            | 0.05                         |
| <b>Total</b>  | <b>4,470.22</b>              | <b>5,670.71</b>              |

| Particulars   | 2018-19                                    |   |                 | 2017-18                                    |   |                 |
|---|--|---|-----------------|--|---|-----------------|
|   | On financial liabilities Measured at FVTPL | On financial liabilities Measured at Amortised cost | Total           | On financial liabilities Measured at FVTPL | On financial liabilities Measured at Amortised cost | Total           |
| <b>A Debt Securities</b>  |  |   |                 |  |   |                 |
| Interest on Non-Convertible Debentures  | -  | -   | -               | -  | 645.10  | 645.10          |
| Discount on commercial papers   | -  | 106.08  | 106.08          | -  | 1,947.72  | 1,947.72        |
| <b>B Borrowings (other than debt securities)</b>  |  |   |                 |  |   |                 |
| Interest on Inter Corporate Loans   | -  | 3,786.59  | 3,786.59        | -  | 2,395.69  | 2,395.69        |
| Bank Charges  | -  | -   | -               | -  | 0.05  | 0.05            |
| Interest expenses on financial liabilities designated at fair value through profit & loss | 577.55                                     | -   | 577.55          | 682.15                                     | -   | 682.15          |
| <b>Total</b>  | <b>577.55</b>                              | <b>3,892.67</b>                                     | <b>4,470.22</b> | <b>682.15</b>                              | <b>4,988.56</b>                                     | <b>5,670.71</b> |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 27. Employee Benefits Expenses

| Particulars                                | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Salaries and wages                         | 1,168.61                     | 1,712.26                     |
| Contribution to provident and other funds  | 53.10                        | 70.88                        |
| Staff welfare expenses                     | 25.52                        | 23.87                        |
| Gratuity and compensated absences expenses | 31.55                        | 29.64                        |
| Recruitment and training                   | 1.05                         | 0.03                         |
| <b>Total</b>                               | <b>1,279.83</b>              | <b>1,836.68</b>              |

### 28. Depreciation and amortization expense

| Particulars                                 | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Depreciation on property, plant & equipment | 38.51                        | 62.11                        |
| Amortization of intangible assets           | 46.91                        | 143.80                       |
| <b>Total</b>                                | <b>85.42</b>                 | <b>205.91</b>                |

### 29. Impairment on Financial Instruments

| Particulars                                       | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| Impairment Losses on Investment in subsidiaries * | 9,934.24                     | 11,903.96                    |
| <b>Total</b>                                      | <b>9,934.24</b>              | <b>11,903.96</b>             |

\* All Investment in Subsidiary company has been recorded at fair value on transition date and subsequently impairment testing done every year for computing impairment losses. Investment checked for impairment testing and impairment loss on investment calculated and booked as expense of ₹ 11,903.96 lakhs during FY 2017-18 and ₹ 9,934.24 lakhs during FY 2018-19

### 30. Other Expenses

| Particulars  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Rent   | 189.57                       | 688.78                       |
| Loss on fair valuation of Mutual fund, venture capital fund and alternative investment funds | 6.37                         | -                            |
| Payment due against Letter of comfort given **   | -                            | 9,119.00                     |
| Repairs and maintenance - others   | 75.04                        | 82.42                        |
| Communication Costs  | 165.41                       | 203.41                       |
| Printing and stationery  | 18.68                        | 19.82                        |
| Advertisement and publicity  | 27.82                        | 32.82                        |
| Director's fees, allowances and expenses   | 118.20                       | 97.38                        |
| Auditor's fees and expenses (refer note 30.1)  | 35.33                        | 36.83                        |
| Legal and Professional charges   | 1,076.55                     | 1,748.02                     |
| Insurance  | 39.60                        | 16.79                        |
| Custodial and stamp charges  | 62.72                        | 16.81                        |



| Particulars  | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
| Contingent provision on standard assets                      | -                            | 28.40                        |
| Provision for non performing assets                          | 44.01                        | 8,304.12                     |
| Provision for security deposit                               | -                            | 126.03                       |
| Provision for support services                               | 139.37                       | 9.35                         |
| Filing Fees  | 25.82                        | 17.05                        |
| Membership and subscription fees                             | 36.20                        | 23.73                        |
| Travel and conveyance  | 133.68                       | 100.59                       |
| Postage and Courier  | 13.56                        | 8.68                         |
| Office Expenses  | 29.59                        | 22.60                        |
| Electricity and water  | 352.46                       | 352.39                       |
| Fines & Penalties  | 2.14                         | 40.44                        |
| Loss on sale of property, plant & equipment                  | -                            | 4.81                         |
| Foreign exchange loss  | -                            | 0.02                         |
| Provision for diminution in value of non current investments | -                            | 0.50                         |
| Software Licence Fees  | 12.46                        | 0.40                         |
| Miscellaneous Expenses                                       | 4.01                         | 15.36                        |
| Less: Expenses shared by subsidiaries/JVs                    | (250.51)                     | (204.51)                     |
| <b>Total</b>   | <b>2,358.08</b>              | <b>20,912.04</b>             |

\*\* As per IND AS Letter of comfort issued in favor of Subsidiaries or Group Companies to be recorded as Financial Liability. During FY 17-18 Financial liability of ₹ 9,119 lakhs has been booked against letter of comfort issued in favor its subsidiary company "Religare Comtrade Limited" and "Religare Advisors Limited" erstwhile "Religare Wealth Management Limited".

### 30.1 Payment to Auditor's (exclusive of GST)

| Particulars                        | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|------------------------------------|------------------------------|------------------------------|
| <b>As Auditors</b>                 |                              |                              |
| Statutory Audit Fees               | 21.55                        | 20.00                        |
| Tax audit Fees                     | 1.10                         | 1.00                         |
| <b>In Other Capacity</b>           |                              |                              |
| For other Services (Certification) | 11.47                        | 14.00                        |
| Out of pocket expense              | 1.21                         | 1.83                         |
| <b>Total</b>                       | <b>35.33</b>                 | <b>36.83</b>                 |

### 31. Income Tax

| Particulars       | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|-------------------|------------------------------|------------------------------|
| Current Tax       |                              | -                            |
| Deferred Tax      | -                            | 12.26                        |
| MAT Credit        | -                            | 497.67                       |
| For Earlier Years | -                            | (1,224.63)                   |
| <b>Total</b>      | <b>-</b>                     | <b>(714.70)</b>              |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 32 Contingent Liabilities and Commitments

#### Legal

The Company has involved in various litigations, arbitrations and regulatory proceedings the detail of which are as follows:

| Particulars   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
|   | Amount (₹)                   | Amount (₹)                   |
| (a) Guarantees  |                              |                              |
| - Guarantees given to the bankers and stock exchanges and others by the Company on behalf of subsidiaries * | -                            | 1,615.00                     |
| (b) Other money for which the company is contingently liable  |                              |                              |
| - Disputed Tax Demands not provided for -Direct Tax   | 1,722.88                     | 4,980.47                     |
| - Disputed Tax Demands not provided for -Indirect Tax   | 112.61                       | 227.08                       |
| - Claim against the company not acknowledged as debts   | 10.37                        | 10.37                        |
| - Underwriting commitments / obligations for shares/ debentures (refer Note No. 32.1 & 32.2)                | 95,467.37                    | 84,736.38                    |
| <b>Total</b>  | <b>97,313.23</b>             | <b>91,569.30</b>             |

\*During the year ended March 31, 2019, the company has given corporate guarantee to bankers on behalf of its subsidiary company Religare Broking Limited amounting to ₹ 5,000 lakhs against the fund based and non fund based facilities. As on March 31, 2019, the outstanding fund based and non fund based facilities availed by aforesaid subsidiaries against the Company bank guarantee amounts to ₹ Nil.

**32.1** Inclusive of Unpaid Capital call on equity shares of Religare Capital Markets Limited amounting to ₹ 4,077.50 Lakhs.

**32.2 (a)** During the year ended March 31, 2018, non-resident shareholders of Religare Finvest Limited ("RFL"), a subsidiary of the Company, subsequent to exercise of put option for a consideration as per the Option Agreement had filed petitions in the Delhi High Court praying for interim and mandatory relief or give bank guarantees of the said amounts in order to secure their interests. On January 05, 2018 the High Court passed an order stating the RFL shall maintain as unencumbered and not encash fixed deposits with Laxmi Vilas Bank Limited (LVB). As per the information available with management the Fixed deposit has been encashed by LVB on Feb 22, 2018 in respect of which RFL has filed suit for recovery of FD before Hon'able Delhi High court. Accounting impact will be given on the basis of outcome of the final order. Estimated value of exercised put option as at March 31, 2019 amounts to ₹ 84,182.34 Lakhs (March 31, 2018 ₹ 73,844.16 Lakhs) as included above. Next date of hearing is July 15, 2019. The parties are currently in advance stage of negotiation to resolve this matter. The Company is not anticipating any material financial impact of these negotiations on the financial statement.

(b) During the year ended March 31, 2018, Religare Capital Markets International (Mauritius) Limited's (a sub-subsidiary of the Company) partner in Bartleet Religare Securities Private Limited, has exercised the put option for a consideration as per the Option shareholders' agreement between Religare Capital Markets International (Mauritius) Limited and Bartleet Transcapital Limited. Subsequently the company has entered into Sale & Purchase Agreement for sale of its share of its investment in Bartleet Religare Securities Private Limited to Bartleer Transcapital Limited the non resident holder. REL has filed two applications for deletion of REL as a party and recall of the order dated March 21, 2018. On December 18, 2018, order was passed by DRT dismissing both applications filed on behalf of Religare for deletion as a party and recalling the order dated March 21, 2018.REL has filed an appeal before the DRAT against the order dated December 18, 2018 which is listed on August 13, 2019. Estimated value of exercised put option as at March 31, 2019 amounts to ₹ 7,207.53 Lakhs (March 31, 2018, ₹ 6,814.71 Lakhs ) as included above.

**32.3** The Audit Committee and the Board of Directors on December 08, 2016 & December 10, 2016 respectively, approved the payment of Brand License Fees to RHC Holding Private Limited ("RHC") for period of 6 years effective April 01, 2016 for usage of the "Religare" trademark/brand. Further, on January 17, 2017, the Audit Committee approved to enter into Sub-license Agreement with various subsidiaries for the sub-license and usage of the "Religare" mark for recovery from them on proportionate basis to their turnover, of the brand license fees payable by the Company to RHC.

Pursuant to letter dated February 21, 2017 between the company and RHC, for the ease of administration and operation, it has been agreed to pay such fees directly by operating subsidiaries of the Company. Accordingly, the Company advised its subsidiaries for payment of brand sub license fee prescribed under the Sub-license Agreement directly to RHC as due





discharge of their obligation under the said Agreement. Accordingly, no related party transaction for expense and recovery thereof is accounted for in the Company. During the year ended March 31, 2018, RHC assigned the trade mark “Religare” and its logo to Elive Infotech Pvt Limited (assignee/Elive) and the right to sell, assign, transfer or encumber all or portion of its rights and obligations for the trade mark or other rights in said trade marks. Further, Elive has waived the right to receive the brand license fee from REL or its subsidiaries/affiliates till the time interest on loans availed by the group companies of Elive and RHC from Religare Finvest Limited is serviced.”

In the suit titled SCCPL & Another vs. LVB & Others having no. CS(COMM) 633/2018 pending before the Delhi High Court, SCCPL had claimed ownership of “Religare Brand” by way of an Assignment Deed allegedly executed in its favour by RHC, and Elive Infotech Pvt. Ltd. The Delhi High Court vide its order dated February 22, 2018 passed an order to maintain status quo regarding the Religare Trademark. It is pertinent to mention here that RHC, Elive Infotech and Ranchem have filed an application under Section 340 Cr.P.C against SCCPL for willfully knowing and deliberately making false statement, filing forged Board Resolution dated November 9, 2017, for filing forged and fabricated share transfer forms.

- 32.4** During the year ended March 31, 2016, there were certain assignment of loans by RFL to Strategic Credit Capital Private Limited (‘SCCPL’) and during the year ended March 31, 2017, the amounts recoverable from SCCPL and Perpetual Credit Services Private Limited (‘Perpetual’) aggregating to ₹ 79,367.20 lakhs were written off by RFL and various legal proceedings were initiated by the parties against each other. During the year ended March 31, 2018 RFL entered into a settlement agreement with the counterparties pursuant to which the various cases against each other at various courts and tribunals were withdrawn on consent terms, however RFL retained its right to recover the amounts due from SCCPL and Perpetual. Despite the settlement agreement SCCPL has filed suits against the Company at various forums. RFL is in the process of detailed diligence on these and connected transactions and is pursuing appropriate legal remedies to recover the amounts due to it and expect that there will not be any obligation on RFL out of these cases. In February 2018, SCCPL and Perpetual filed a civil suit before the Delhi High Court seeking (among other reliefs) specific performance against Lakshmi Vilas Bank and impleading RFL and REL as parties. In March 2018, SCCPL, Perpetual and its associates filed a suit before the Saket District Court seeking, (among other reliefs) discharge from their obligations under the settlement agreement. RFL and REL have filed applications for rejection of plaint, extension of time to file written statement and certain interrogatories. Next Date of hearing on this matter is on July 16, 2019.
- 32.5** Axis Bank has filed an original application (“OA”) before the DRT-II, Delhi for recovery of approx. ₹ 31,300 lakhs under a facility agreement between Axis Bank and Religare Capital Markets International (Mauritius) Limited (“RCMIML”), which is inter alia secured by security provided by Promoters and Religare Capital Markets Limited. REL has neither provided any security/guarantee in relation to the facility nor has any obligation to repay the dues of RCMIML. REL has been made a party to the proceedings based on a Non-Disposal Undertaking (“NDU”). The DRT has passed an order dated March 21, 2018 directing inter-alia that REL shall not alienate or create any encumbrance in respect of certain assets and its shareholding in any company or business concerns to the extent of claimed amount and enter into any settlement with any creditors without the prior approval of DRT. REL has filed 2 applications on May 08, 2018 for deletion of REL as a party and vacation of the stay order dated March 21, 2018 against REL. Axis Bank has filed the reply. On December 18, 2018 DRT dismissed both the applications. Next Date of hearing in this matter before the DRT is May 28, 2019. REL has filed an appeal before the DRAT against the order dated December 18, 2018 which is listed on August 13, 2019.
- 32.6** In the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016), the interim application having I.A. No. 16727/2018 has been filed by REL disputing its liability as a garnishee came up for hearing on December 07, 2018. REL has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of ₹ 4,190.28 lakhs) and disputed the liability stating the transaction to be an illegal one. The Hon’ble High Court of Delhi directed REL to file an affidavit disclosing the names of persons who were on its Board of Directors and were managing its affairs when the alleged sham transaction was executed. It also remarked that it expected REL to file a complaint with the concerned Police Station. Accordingly, in compliance thereof, REL has filed an affidavit disclosing names of persons who were on Board of Directors at relevant times and has also filed a criminal complaint on March 22, 2019 with the Economic Offences Wing, Delhi Police against Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Mr. Sunil Godhwani, RHC Holding Private Limited, Oscar Investments Limited, RHC Finance Private Limited and their other associates for various offences under the Indian Penal Code, 1860 including the offences of cheating, criminal breach of trust, criminal misappropriation, forgery, forgery for the purposes of cheating and criminal conspiracy w.r.t transactions relating to issuance and redemption of Preference Shares.
- 32.7** The Company had entered into a share purchase agreement dated April 09, 2017 with a buyer consortium to sell its stake in Religare Health Insurance Company Limited (RHICL) to the buyer consortium. Metaffinity Private Limited and Sarvapriya Healthcare Solutions Private Limited (certain purchasers in the buyer consortium) had filed a petition before the Delhi High Court under section 9 of the Arbitration and Conciliation Act, 1996 for interim directions against REL, RHICL and



another party seeking certain specific reliefs against REL, RHICL and another party. On May 28, 2018, the Hon'ble High Court dismissed the petition filed by Metaaffinity and stated that the relief prayed in the petition cannot be granted. The buyer consortium has invoked arbitration in terms of the Share Purchase Agreement. Both the Claimants (i.e. buyer consortium parties) and the Respondents (i.e. REL & RHICL) have nominated their respective arbitrators. Hon'ble Delhi High Court vide order dated May 28, 2019 dismissed the said petition. The petitioner have not filed any appeal to the orders.

### 33 Micro, Small and Medium enterprises

There are no Micro and Small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at March 31, 2019. 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.

### 34. Segment Reporting:

#### A Basis Of Segmentation

The segment reporting of the company has been prepared in accordance with IND AS 108 "Operating Segment" (specified Under section 133 of the Companies Act 2013, read with Rule 7 of Companies (accounts), Rule 2015. For management purpose the Company is organised into business units based on services and has two reportable (a) Investment and Financing Activities (b) Support Services.

The Segment have been identified as reportable segment by the Company's Chief Operating Decision Maker ("CODM"). Segment profit amounts are evaluated regularly by the Board, which has been identified as CODM, in deciding how to allocate resources and in assessing performance.

Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all segments. The asset and liabilities that cannot be allocated between segments are shown as unallocated between the segments are shown as unallocated corporate assets and liabilities respectively.

#### B Information about Reportable Segments :

##### Primary Segment

- (a) The business segment has been considered as the primary segment for disclosure. The Company's primary business comprises of 'Investment and Financing' and 'Support Services'. The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.
- (b) Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.
- (c) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses incurred on behalf of other segments and not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.
- (d) Assets (including fixed assets) and liabilities that are directly attributable to segments are disclosed under each reportable segment. Common assets have been allocated to each segment on the basis of associated revenues of each segment. Common liabilities have been allocated to each segment on the basis of total segment expense. All other assets and liabilities are disclosed as unallocable.

If the segment result of a segment includes interest or dividend income, its segment assets include the related receivables, loans, investments, or other interest or dividend generating assets.

If the segment result of a segment includes interest expense, its segment liabilities include the related interest-bearing liabilities.



(Amount in ₹ lakhs, unless otherwise stated)

**INFORMATION ABOUT PRIMARY BUSINESS SEGMENT**

|       | Particulars                                  | Investment and Financing Activities | Support Services | Unallocated | Total       |
|-------|--|-------------------------------------|------------------|-------------|-------------|
| (i)   | Segment Revenue                              |                                     |                  |             |             |
|       | External Revenue                             | 473.70                              | 2,335.12         | 707.75      | 3,516.57    |
|       | Total Revenue                                | 473.70                              | 2,335.12         | 707.75      | 3,516.57    |
| (ii)  | Segment Results                              | (14,580.98)                         | (737.99)         | 707.75      | (14,611.22) |
| (iii) | Segment Assets                               | 211,703.63                          | 2,436.28         | 7,058.80    | 221,198.70  |
|       | Total Assets                                 | 211,703.63                          | 2,436.28         | 7,058.80    | 221,198.70  |
| (iv)  | Segment liabilities                          | 51,882.92                           | 3,277.16         | 123.33      | 55,283.41   |
|       | Total liabilities                            | 51,882.92                           | 3,277.16         | 123.33      | 55,283.41   |
| (v)   | Capital Expenditure                          | 8.65                                | -                | -           | 8.65        |
| (vi)  | Depreciation/Amortization                    | 36.69                               | 48.72            | -           | 85.42       |
| (vii) | Non Cash Expenditure other than Depreciation | 30.93                               | 152.46           | -           | 183.39      |

Note -1. Advance tax /TDS receivable and statutory payments are considered as unallocated item

2. Depreciation cost allocated on actual basis

**35 Fair Value Measurement**

This note describes the fair value measurement of both financial and non-financial instruments and is structured as follows:

35.1 Valuation Principles

35.2 Assets and liabilities by fair value hierarchy

35.3 Valuation Techniques

35.4 Movements in level 3 financial instruments measured at fair value

35.5 Fair Value of financial instruments not measured at fair value

35.6 Valuation methodologies of financial instruments not measured at fair value

**35.1 Valuation Principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

**35.2 Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

### Financials Instruments

#### Financial instruments – Fair values and risk management

##### A. Financial instruments by category

| Particulars                                       | March 31, 2019  |          |                   | March 31, 2018  |          |                   | April 1, 2017   |          |                   |
|---|-----------------|----------|-------------------|-----------------|----------|-------------------|-----------------|----------|-------------------|
|   | FVTPL           | FVTOCI   | Amortised Cost    | FVTPL           | FVTOCI   | Amortised Cost    | FVTPL           | FVTOCI   | Amortised Cost    |
| <b>Financial Assets</b>                           |                 |          |                   |                 |          |                   |                 |          |                   |
| Cash and cash equivalents                         | -               | -        | 344.51            | -               | -        | 38.31             | -               | -        | 406.02            |
| Bank Balance other than cash and cash equivalents | -               | -        | 4.40              | -               | -        | 52.41             | -               | -        | 58.50             |
| Loans   | -               | -        | -                 | -               | -        | 275.60            | -               | -        | 7,978.46          |
| Investments                                       | 1,026.84        | -        | 210,182.57        | 1,243.05        | -        | 208,904.30        | 1,707.25        | -        | 214,057.40        |
| Other Financial assets                            | -               | -        | 2,344.02          | -               | -        | 859.73            | -               | -        | 2,174.35          |
| <b>Total</b>                                      | <b>1,026.84</b> | <b>-</b> | <b>212,875.50</b> | <b>1,243.05</b> | <b>-</b> | <b>210,130.35</b> | <b>1,707.25</b> | <b>-</b> | <b>224,674.73</b> |
| <b>Financial Liabilities</b>                      |                 |          |                   |                 |          |                   |                 |          |                   |
| Trade Payables                                    | -               | -        | 1,003.35          | -               | -        | 1,099.42          | -               | -        | 2,887.69          |
| Debt Securities                                   | -               | -        | -                 | -               | -        | 2,966.47          | -               | -        | 33,839.92         |
| Borrowings (Other than Debt Securities)           | -               | -        | 38,058.74         | -               | -        | 51,855.63         | -               | -        | 12,106.89         |
| Other financial liabilities                       | -               | -        | 16,029.14         | -               | -        | 17,377.07         | -               | -        | 5,742.52          |
| <b>Total</b>                                      | <b>-</b>        | <b>-</b> | <b>55,091.23</b>  | <b>-</b>        | <b>-</b> | <b>73,298.59</b>  | <b>-</b>        | <b>-</b> | <b>54,577.02</b>  |

### 35.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

#### As at March 31, 2019

| Particulars   | Level 1  | Level 2  | Level 3         | Total           |
|---|----------|----------|-----------------|-----------------|
| <b>Assets measured at fair value on a recurring basis</b>               |          |          |                 |                 |
| <i>Financial assets designated at fair value through profit or loss</i> |          |          |                 |                 |
| Equity securities   | -        | -        | 1026.84         | 1026.84         |
| <b>Total</b>  | <b>-</b> | <b>-</b> | <b>1,026.84</b> | <b>1,026.84</b> |

#### As at March 31, 2018

| Particulars   | Level 1  | Level 2  | Level 3         | Total           |
|---|----------|----------|-----------------|-----------------|
| <b>Assets measured at fair value on a recurring basis</b>               |          |          |                 |                 |
| <i>Financial assets designated at fair value through profit or loss</i> |          |          |                 |                 |
| Equity securities   | -        | -        | 1243.05         | 1,243.05        |
| <b>Total</b>  | <b>-</b> | <b>-</b> | <b>1,243.05</b> | <b>1,243.05</b> |



(Amount in ₹ lakhs, unless otherwise stated)

As at April 1, 2017

| Particulars   | Level 1  | Level 2  | Level 3         | Total           |
|---|----------|----------|-----------------|-----------------|
| <b>Assets measured at fair value on a recurring basis</b>               |          |          |                 |                 |
| <i>Financial assets designated at fair value through profit or loss</i> |          |          |                 |                 |
| Equity securities   | -        | -        | 1,457.24        | 1,457.24        |
| <b>Total</b>  | <b>-</b> | <b>-</b> | <b>1,457.24</b> | <b>1,457.24</b> |

**35.3.A Valuation Techniques****Non-current assets and liabilities held for sale**

The Company's non-current assets and liabilities held for sale are measured at fair value on non-recurring basis, with the exception of the certain financial instruments that have already been measured at fair value on a recurring basis. In its normal course of business, the Company does not physically repurchase properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. As a result of this practice, the residential properties under legal repossession process are not recorded on the balance sheet and treated as non-current assets/liabilities held for sale of the non-current assets held for sale and disclosed in Note No. 15.

**35.4 Movements in Level 3 financial instruments measured at fair value**

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Financial assets designated at fair value through profit or loss (FVTPL)

| Particulars  | FY 2018-19       | FY 2017-18 |
|--|------------------|------------|
| <b>Opening Balance</b>   | <b>1,243.05</b>  | 1,457.39   |
| Purchase   | <b>13,825.00</b> | 39,559.83  |
| Sales  | <b>14,047.57</b> | 39,687.44  |
| Issuances Settlements  | -                | -          |
| Transfers into Level 3   | -                | -          |
| Transfers from Level 3   | -                | -          |
| Net interest income, net trading income and other income                               | <b>103.03</b>    | 454.00     |
| Other comprehensive income   | -                | -          |
| <b>Closing Balance</b>   | <b>1,026.84</b>  | 1,243.05   |
| <b>Unrealised gains and (losses) related to balances held at the end of the period</b> | <b>(6.37)</b>    | 86.73      |

**35.5 Fair value of financial instruments not measured at fair value**

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.



Notes Forming Part of the Financial Statements  
For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

As at March 31, 2019

| Particulars                                       | Carrying amount  | Fair Value |         |                  |                  |
|---|------------------|------------|---------|------------------|------------------|
|   |                  | Level 1    | Level 2 | Level 3          | Total            |
| <b>Financial Assets</b>                           |                  |            |         |                  |                  |
| Cash and Cash equivalent                          | 344.51           | -          | -       | 344.51           | 344.51           |
| Bank balances other than cash and cash equivalent | 4.40             | -          | -       | 4.40             | 4.40             |
| Trade receivables                                 | 153.10           | -          | -       | 153.10           | 153.10           |
| Loans and advances to customers                   | 50.60            | -          | -       | 50.60            | 50.60            |
| Financial investments – at amortised cost         | 2,190.92         | -          | -       | 2,190.92         | 2,190.92         |
| <b>Total financial assets</b>                     | <b>2,743.53</b>  | -          | -       | <b>2,743.53</b>  | <b>2,743.53</b>  |
| <b>Financial Liabilities</b>                      |                  |            |         |                  |                  |
| Trade payables                                    | 1,003.35         | -          | -       | 1,003.35         | 1,003.35         |
| Debt securities                                   | -                | -          | -       | -                | -                |
| Borrowing other than debt securities              | 38,058.74        | -          | -       | 38,058.74        | 38,058.74        |
| Deposits  | 1,802.48         | -          | -       | 1,802.48         | 1,802.48         |
| Other financial liability                         | 14,226.67        | -          | -       | 14,226.67        | 14,226.67        |
| <b>Total Financial liabilities</b>                | <b>55,091.23</b> | -          | -       | <b>55,091.23</b> | <b>55,091.23</b> |

As at March 31, 2018

| Particulars                                       | Carrying amount  | Fair Value |         |                  |                  |
|---|------------------|------------|---------|------------------|------------------|
|   |                  | Level 1    | Level 2 | Level 3          | Total            |
| <b>Financial Assets</b>                           |                  |            |         |                  |                  |
| Cash and Cash equivalent                          | 38.31            | -          | -       | 38.31            | 38.31            |
| Bank balances other than cash and cash equivalent | 52.41            | -          | -       | 52.41            | 52.41            |
| Trade receivables                                 | 82.97            | -          | -       | 82.97            | 82.97            |
| Loans and advances to customers                   | 467.20           | -          | -       | 467.20           | 467.20           |
| Financial investments – at amortised cost         | 859.73           | -          | -       | 859.73           | 859.73           |
| <b>Total financial assets</b>                     | <b>1,500.63</b>  | -          | -       | <b>1,500.63</b>  | <b>1,500.63</b>  |
| <b>Financial Liabilities</b>                      |                  |            |         |                  |                  |
| Trade payables                                    | 1,099.42         | -          | -       | 1,099.42         | 1,099.42         |
| Debt securities                                   | 2,966.47         | -          | -       | 2,966.47         | 2,966.47         |
| Borrowing other than debt securities              | 51,855.63        | -          | -       | 51,855.63        | 51,855.63        |
| Deposits  | 1,802.48         | -          | -       | 1,802.48         | 1,802.48         |
| Other financial liability                         | 15,574.59        | -          | -       | 15,574.59        | 15,574.59        |
| <b>Total Financial liabilities</b>                | <b>73,298.59</b> | -          | -       | <b>73,298.59</b> | <b>73,298.59</b> |



(Amount in ₹ lakhs, unless otherwise stated)

As at April 1, 2017

| Particulars                                       | Carrying amount  | Fair Value |         |                  |                  |
|---|------------------|------------|---------|------------------|------------------|
|   |                  | Level 1    | Level 2 | Level 3          | Total            |
| <b>Financial Assets</b>                           |                  |            |         |                  |                  |
| Cash and Cash equivalent                          | 406.02           | -          | -       | 406.02           | 406.02           |
| Bank balances other than cash and cash equivalent | 58.50            | -          | -       | 58.50            | 58.50            |
| Trade receivables                                 | 590.15           | -          | -       | 590.15           | 590.15           |
| Loans and advances to customers                   | 8,159.79         | -          | -       | 8,159.79         | 8,159.79         |
| Financial investments – at amortised cost         | 1,583.70         | -          | -       | 1,583.70         | 1,583.70         |
| <b>Total financial assets</b>                     | <b>10,798.16</b> | -          | -       | <b>10,798.16</b> | <b>10,798.16</b> |
| <b>Financial Liabilities</b>                      |                  |            |         |                  |                  |
| Trade payables                                    | 2,887.69         | -          | -       | 2,887.69         | 2,887.69         |
| Debt securities                                   | 33,839.92        | -          | -       | 33,839.92        | 33,839.92        |
| Borrowing other than debt securities              | 12,106.89        | -          | -       | 12,106.89        | 12,106.89        |
| Deposits  | 2,907.29         | -          | -       | 2,907.29         | 2,907.29         |
| Other financial liability                         | 2,835.23         | -          | -       | 2,835.23         | 2,835.23         |
| <b>Total Financial liabilities</b>                | <b>54,577.02</b> | -          | -       | <b>54,577.02</b> | <b>54,577.02</b> |

**35.6 Valuation methodologies of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

**Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, Contract assets, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.





## **36. Financial Risk Management**

### **36.1 Introduction and risk profile**

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

#### **36.1.1 Risk Management Structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

At REL and its subsidiaries the day to day monitoring is managed by Head of respective department/function and /or Risk Management Department at the key subsidiaries shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning who will maintain record of each risk identified alongwith mitigation plan in Risk & Control Matrix (RCM) and will update it periodically.

The Company's policy is that risk management processes throughout the Company are audited at regular interval by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Supervisory Board and Audit Committee.

#### **36.1.2 Risk measurement and reporting systems**

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Company also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries. In addition, the Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

### **36.2 REL is involved in financial services business and is exposed to following key risks**

#### **36.2.1 Compliance-Regulatory-Legal risk**

Compliance-Regulatory-Legal risk is the risk arising from non-adherence to prescribed law in force, regulations, policies, procedures and guidelines which may give rise to regulatory actions, litigations, deficiency in product or services depending on the level of non-adherence. The corporate governance function is primarily designed to avoid incurrence of compliance-regulatory-legal risk.

#### **36.2.2 Investment Risk**

Investment Risk is the risk in which the provider of finance shares in the business risk. Investment Risk is the major risk faced by REL being a holding company. The Company faces investment risk exposure from its various investments, such as direct investments, asset management etc.



Note: investment risk is not the risk arising from short-term trading for the purpose of gaining short-term profits. Risks arising from short-term market fluctuations are dealt with under market risk. The Company's strategy towards investment risk management will be based on Business Strategy, Due Diligence, Diversification of Investments, Setting Limits, Exit Strategy, Stress Testing etc.

### 36.2.3 Strategic Business Risk

Strategic Business risk – Strategic risks are basically those risk which are typically managed by the top management group and are tactical in nature such as continue or discontinue a product line, scaling up or down the business, major investment decision, key borrowings, mergers or acquisitions etc.

### 36.2.4 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

| The sources of risks which the Company is exposed to and their management is given below |  |   |  |
|--|--|---|--|
| Risk   | Exposure Arising From  | Measurement   | Management   |
| • <b>Market Risk</b>   |  |   |  |
| - Foreign Exchange Risk  | Committed commercial transactions not denominated in ₹   | Cash Flow Forecasting                               | Amount insignificant   |
| -Interest Rate Risk  | Borrowings at fixed/ variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities | Interest Rate Movements                             | Portfolio Diversification  |
| - Equity Price Risk  | Investments in equity  | Financial Performance of the investee Company       | Equity risk relates to the sensitivity of financial products to the changes in prices  |
| • <b>Credit Risk</b>   | Cash and Cash equivalents, Trade Receivables, Investments, Loans   | Ageing Analysis, Collateral Analysis, Credit Rating | Diversification of Bank deposits, mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness through collateral based monitoring. |
| • <b>Liquidity Risk</b>  | Borrowings and Other Liabilities and Liquid Investments  | Rolling Cash Flow Forecasts                         | Adequate unused credit lines and borrowing facilities, Portfolio Diversification   |



#### **36.2.4.1 Impairment assessment**

The Company's definition and measurement of impairment in investments

- How the Company measures and monitors the probability of impairment in investments due to changes in business fair valuations.

#### **36.2.4.2 Grouping financial assets measured on a collective basis**

Asset classes where the Company calculates ECL on a collective basis include:

- Trade Receivables
- Other Receivables

#### **36.2.4.3 Significant increase in credit risk**

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk underlying assets and accordingly changes the ECL.

The Company also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

#### **36.2.5 Concentration Risk**

Concentration Risk is Probability of loss arising from heavily lopsided exposure to a particular group of counterparties. For example the risk of loss to a finance company as a result of having too many outstanding loans concentrated in a particular instrument, with a particular type of borrower, or in a particular territory.

#### **36.2.6 Reputational Risk**

Reputational Risk As per the above standard, REL is also exposed to reputation risk arising from failures in governance, business strategy and process, regulatory-compliance and legal risk. These risks are generally covered under Operational risks. Reputational risk is the risk of potential damage to the Company due to deterioration of its reputation. The reputation of the Company may suffer as a result of its failure to comply with laws, regulations, rules, reporting requirements, standards and codes of conduct applicable to its activities, rather than compliance with the internal limits or procedures. Proactive measures to minimize the risk of losing reputation could be a sound risk management framework, good corporate governance high level ethics and integrity, rigorous anti money laundering procedures, good business practices and reporting of all breaches which lead to reputational risk to the attention of senior management and the board.

Management of subsidiaries and support functions of REL should take into consideration above basic risk categorization and devise their own risk cum control matrix for each of the product line, segment, business and operations.

#### **36.2.6 Liquidity risk**

Liquidity risk is the potential of loss arising from their inability either to meet obligations or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

##### **36.2.6.1 Analysis of financial assets and liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | On demand          | Less than 3 months | 3 to 12 Months    | 1 to 5 years      | Over 5 years      | Total             |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| <b>As at March 31, 2019</b>                            |                    |                    |                   |                   |                   |                   |
| <b>Financial assets</b>                                |                    |                    |                   |                   |                   |                   |
| Cash and cash equivalent and other bank balances       | 344.51             | -                  | 4.40              | -                 | -                 | 348.91            |
| Financial assets at fair value through profit and loss | -                  | -                  | -                 | 1,026.84          | -                 | 1,026.84          |
| Other Financial Assets                                 | -                  | -                  | 2,190.92          | -                 | -                 | 2,190.92          |
| Tax Assets   | -                  | 1,386.74           | 597.03            | 3,488.34          | -                 | 5,472.11          |
| Loans  | -                  | -                  | -                 | -                 | -                 | -                 |
| Financial investments at amortised cost                | -                  | -                  | -                 | -                 | 210,182.57        | 210,182.57        |
| Trade receivables                                      | -                  | 143.00             | 10.10             | -                 | -                 | 153.10            |
| <b>Total undiscounted financial assets</b>             | <b>344.51</b>      | <b>1,529.74</b>    | <b>2,802.45</b>   | <b>4,515.19</b>   | <b>210,182.57</b> | <b>219,374.45</b> |
| <b>Financial liabilities</b>                           |                    |                    |                   |                   |                   |                   |
| Debt securities  | -                  | -                  | -                 | -                 | -                 | -                 |
| Borrowings (other than debt securities)*               | 28,046.93          | 2,550.67           | -                 | 7,461.14          | -                 | 38,058.73         |
| Other financial liabilities                            | 3,794.87           | -                  | 10,419.15         | 1,815.12          | -                 | 16,029.14         |
| <b>Total undiscounted financial liabilities*</b>       | <b>31,841.80</b>   | <b>2,550.67</b>    | <b>10,419.15</b>  | <b>9,276.25</b>   | <b>-</b>          | <b>54,087.87</b>  |
| <b>Total Net financial assets/(liabilities)</b>        | <b>(31,497.29)</b> | <b>(1,020.93)</b>  | <b>(7,616.71)</b> | <b>(4,761.07)</b> | <b>210,182.57</b> | <b>165,286.57</b> |

\* Inter corporate borrowing's from subsidiaries are overdue.

| Particulars  | On demand    | Less than 3 months | 3 to 12 Months    | 1 to 5 years       | Over 5 years      | Total             |
|--|--------------|--------------------|-------------------|--------------------|-------------------|-------------------|
| <b>As at March 31, 2018</b>                            |              |                    |                   |                    |                   |                   |
| <b>Financial assets</b>                                |              |                    |                   |                    |                   |                   |
| Cash and cash equivalent and other bank balances       | 38.31        | -                  | -                 | -                  | -                 | 38.31             |
| Net settled derivative assets                          | -            | -                  | 48.01             | 4.40               | -                 | 52.41             |
| Financial assets at fair value through profit and loss | -            | -                  | -                 | 1,243.05           | -                 | 1,243.05          |
| Other Financial Assets                                 | -            | -                  | 776.75            | -                  | -                 | 776.75            |
| Loans  | -            | -                  | 275.60            | -                  | -                 | 275.60            |
| Tax Asset  | -            | 601.32             | 3,239.50          | 4,932.66           | -                 | 8,773.49          |
| Financial investments at amortised cost                | -            | -                  | -                 | -                  | 210,904.30        | 210,904.30        |
| Trade receivables                                      | -            | -                  | 82.98             | -                  | -                 | 82.98             |
| <b>Total undiscounted financial assets*</b>            | <b>38.31</b> | <b>601.32</b>      | <b>4,422.85</b>   | <b>6,180.11</b>    | <b>210,904.30</b> | <b>222,146.89</b> |
| <b>Financial liabilities</b>                           |              |                    |                   |                    |                   |                   |
| Deposits   | -            | -                  | -                 | -                  | -                 | -                 |
| Debt securities  | -            | 2,966.47           | -                 | -                  | -                 | 2,966.47          |
| Borrowings (other than debt securities)                | -            | 9,053.22           | 8,151.83          | 27,766.99          | -                 | 44,972.04         |
| Other financial liabilities                            | 18.53        | -                  | 3,379.79          | 13,978.74          | -                 | 17,377.07         |
| <b>Total undiscounted financial liabilities*</b>       | <b>18.53</b> | <b>12,019.68</b>   | <b>11,531.62</b>  | <b>41,745.74</b>   | <b>-</b>          | <b>65,315.58</b>  |
| <b>Net undiscounted financial assets/(liabilities)</b> | <b>19.78</b> | <b>(11,418.36)</b> | <b>(7,108.78)</b> | <b>(35,565.63)</b> | <b>210,904.30</b> | <b>156,831.31</b> |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars   | On demand       | Less than 3 months | 3 to 12 Months     | 1 to 5 years     | Over 5 years      | Total             |
|---|-----------------|--------------------|--------------------|------------------|-------------------|-------------------|
| <b>As at April 1, 2017</b>                              |                 |                    |                    |                  |                   |                   |
| <b>Financial assets</b>                                 |                 |                    |                    |                  |                   |                   |
| Cash and cash equivalent and other bank balances        | -               | 406.02             | -                  | -                | -                 | 406.02            |
| Financial assets at fair value through profit and loss  | 10.00           | -                  | -                  | 1,447.39         | -                 | 1,457.39          |
| Other Financial Assets                                  | -               | -                  | 801.36             | 782.82           | -                 | 1,584.18          |
| Loans   | -               | -                  | -                  | 7,978.46         | -                 | 7,978.46          |
| Current Tax assets (Net)                                | -               | -                  | 739.03             | 7,871.14         | -                 | 8,610.17          |
| Financial investments at amortised cost                 | -               | -                  | -                  | -                | 215,298.47        | 215,298.47        |
| Trade receivables                                       | -               | -                  | 590.16             | -                | -                 | 590.16            |
| <b>Total undiscounted financial assets</b>              | <b>10.00</b>    | <b>406.02</b>      | <b>2,130.55</b>    | <b>18,079.81</b> | <b>215,298.47</b> | <b>235,924.85</b> |
| <b>Financial liabilities</b>                            |                 |                    |                    |                  |                   |                   |
| Net settled derivative liabilities                      | -               | -                  | -                  | -                | -                 | -                 |
| Deposits  | -               | -                  | -                  | -                | -                 | -                 |
| Debt securities   | -               | -                  | 30,873.45          | 2,966.47         | -                 | 33,839.92         |
| Borrowings (other than debt securities)                 | -               | -                  | -                  | 5,905.46         | 6,201.43          | 12,106.89         |
| Other financial liabilities                             | 888.84          | -                  | -                  | -                | 4,853.69          | 5,742.52          |
| <b>Total undiscounted financial liabilities</b>         | <b>888.84</b>   | <b>-</b>           | <b>30,873.45</b>   | <b>8,871.92</b>  | <b>11,055.12</b>  | <b>51,689.33</b>  |
| <b>Net undiscounted financial assets/ (liabilities)</b> | <b>(878.84)</b> | <b>406.02</b>      | <b>(28,742.90)</b> | <b>9,207.89</b>  | <b>204,243.35</b> | <b>184,235.52</b> |

The Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

### 36.2.7 Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Non-trading positions are managed and monitored using other sensitivity analysis.



(Amount in ₹ lakhs, unless otherwise stated)

## 36.2.7.1 Total Market Risk Exposure

| Particulars  | March 31, 2019    |             |                   | March 31, 2018    |             |                   | April 01, 2017    |              |                   | Primary risk sensitivity                           |
|--|-------------------|-------------|-------------------|-------------------|-------------|-------------------|-------------------|--------------|-------------------|--|
|  | Carrying amount   | Traded risk | Non-traded risk   | Carrying amount   | Traded risk | Non-traded risk   | Carrying amount   | Traded risk  | Non-traded risk   |  |
| <b>Assets</b>  |                   |             |                   |                   |             |                   |                   |              |                   |  |
| Cash and cash equivalent and other bank balances                 | 348.91            | -           | 348.91            | 90.72             | -           | 90.72             | 464.52            | -            | -                 | Interest rate                                      |
| Financial assets at FVTPL  | 1,026.84          | -           | 1,026.84          | 1,243.05          | -           | 1,243.05          | 1,447.39          | 10.00        | -                 | Interest rate/FX and Equity price<br>Interest rate |
| Debt securities designated at fair value through profit and loss | -                 | -           | -                 | -                 | -           | -                 | -                 | -            | -                 | Interest rate                                      |
| Loans  | -                 | -           | -                 | 275.60            | -           | 275.60            | 7,978.46          | -            | 7,978.46          | Interest rate                                      |
| Trade receivables  | -                 | -           | -                 | -                 | -           | -                 | -                 | -            | -                 | Interest rate                                      |
| Financial investments–FVOCI                                      | -                 | -           | -                 | -                 | -           | -                 | -                 | -            | -                 | Interest rate/<br>FX                               |
| Financial investments–amortised cost                             | 210,182.57        | -           | 210,182.57        | 210,904.30        | -           | 210,904.30        | 215,308.47        | -            | 215,308.47        | Interest rate                                      |
| <b>Total</b>   | <b>211,558.32</b> | <b>-</b>    | <b>211,558.32</b> | <b>212,513.67</b> | <b>-</b>    | <b>212,513.67</b> | <b>225,198.84</b> | <b>10.00</b> | <b>223,286.93</b> |  |
| <b>Liabilities</b>   |                   |             |                   |                   |             |                   |                   |              |                   |  |
| Borrowings (other than Debt Securities)                          | 38,058.74         | -           | 38,058.74         | 51,855.63         | -           | 51,855.63         | 12,106.89         | -            | 12,106.89         | Interest rate                                      |
| Financial liabilities at FVTPL                                   | -                 | -           | -                 | -                 | -           | -                 | -                 | -            | -                 | Interest rate                                      |
| Deposits   | 1,802.48          | -           | 1,802.48          | 1,802.48          | -           | 1,802.48          | 2,907.29          | -            | 2,907.29          | Interest rate                                      |
| Debt Securities  | -                 | -           | -                 | 2,966.47          | -           | 2,966.47          | 33,839.92         | -            | 33,839.92         | Interest rate                                      |
| Trade payables   | 1,003.35          | -           | 1,003.35          | 1,099.42          | -           | 1,099.42          | 2,887.69          | -            | 2,887.69          | Interest rate                                      |
| Other liabilities  | 14,226.67         | -           | 14,226.67         | 15,574.59         | -           | 15,574.59         | 2,835.23          | -            | 2,835.23          | Interest rate                                      |
| <b>Total</b>   | <b>55,091.23</b>  | <b>-</b>    | <b>55,091.23</b>  | <b>73,298.59</b>  | <b>-</b>    | <b>73,298.59</b>  | <b>54,577.02</b>  | <b>-</b>     | <b>54,577.02</b>  |  |

## 36.2.8 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This risk shall also incorporate possible causes of loss resulting from regulatory non-compliances. The main sources of operational risk are Process design, Employees, Equipment, Information technology, Physical risk, regulatory non-compliance, Fiduciary etc.



### **37. Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Company has complied in full with all its externally imposed capital requirements over the reported period.

#### **37.1 Capital Management**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

### **38. Retirement Benefit Plan**

#### **38.1 Defined Contribution Plan**

Contribution toward provident fund plan for all employees is made to regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any legal or constructive obligations to pay further contributions apart from the contributions made on monthly basis which are charged to the statement of Profit and Loss account as incurred.

#### **38.2 Defined Benefits plan**

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 fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.





(Amount in ₹ lakhs, unless otherwise stated)

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

## (A) Changes in the defined benefit obligation and fair value of plan assets :

## Gratuity

| Particulars   | As on March 31, 2019        |                           |                    | As on March 31, 2018        |                           |                    |
|---|-----------------------------|---------------------------|--------------------|-----------------------------|---------------------------|--------------------|
|   | Defined benefits obligation | Fair value of plan assets | Benefits liability | Defined benefits obligation | Fair value of plan assets | Benefits liability |
| <b>Gratuity cost charged to profit &amp; loss</b>                           |                             |                           |                    |                             |                           |                    |
| Present value of DBO at the beginning of the year                           | 147.72                      | 125.10                    | (22.62)            | 50.12                       | 3.33                      | (46.79)            |
| Service Cost  | 13.38                       | -                         | (13.38)            | 3.61                        | -                         | (3.61)             |
| Net interest expense  | 9.39                        | -                         | (9.39)             | 1.55                        | -                         | (1.55)             |
| <b>Sub total included in profit &amp; loss</b>                              | <b>22.77</b>                | <b>-</b>                  | <b>(22.77)</b>     | <b>5.16</b>                 | <b>-</b>                  | <b>(5.16)</b>      |
| Benefits paid   | (44.94)                     | (44.94)                   | -                  | (50.61)                     | (50.61)                   | -                  |
| <b>Remeasurement gains/(losses) in other comprehensive income</b>           | <b>-</b>                    | <b>-</b>                  | <b>-</b>           | <b>-</b>                    | <b>-</b>                  | <b>-</b>           |
| Return on plan assets (excluding amounts included in net interest expenses) | -                           | 8.55                      | 8.55               | -                           | 0.28                      | 0.28               |
| Actuarial changes arising from changes in demographic assumptions           | -                           | -                         | -                  | -                           | -                         | -                  |
| Actuarial changes arising from changes in financial assumptions             | 2.68                        | -                         | (2.68)             | -                           | -                         | -                  |
| Return on plan assets greater/(lesser) than discount rate                   | -                           | 7.67                      | 7.67               | -                           | (2.08)                    | (2.08)             |
| Experience adjustments  | (11.20)                     | -                         | 11.20              | 143.05                      | 123.29                    | (19.76)            |
| Subtotal included in OCI  | -                           | -                         | -                  | -                           | -                         | -                  |
| Contributions by employer   | -                           | 22.62                     | 22.62              | -                           | 50.89                     | 50.89              |
| <b>Present value of DBO at the end of the year</b>                          | <b>117.03</b>               | <b>119.00</b>             | <b>1.97</b>        | <b>147.72</b>               | <b>125.10</b>             | <b>(22.62)</b>     |

## Leave Encashment

| Particulars   | As on March 31, 2019        |                           |                    | As on March 31, 2018        |                           |                    |
|---|-----------------------------|---------------------------|--------------------|-----------------------------|---------------------------|--------------------|
|   | Defined benefits obligation | Fair value of plan assets | Benefits liability | Defined benefits obligation | Fair value of plan assets | Benefits liability |
| <b>Leave Encashment cost charged to profit &amp; loss</b>                   |                             |                           |                    |                             |                           |                    |
| Present value of DBO at the beginning of the year                           | 74.77                       | -                         | 74.77              | 114.93                      | -                         | 114.93             |
| Service Cost  | 10.49                       | -                         | 10.49              | 0.75                        | -                         | 0.75               |
| Net interest expense  | 4.74                        | -                         | 4.74               | (0.44)                      | -                         | (0.44)             |
| <b>Sub total included in profit &amp; loss</b>                              | <b>15.23</b>                | <b>-</b>                  | <b>15.23</b>       | <b>0.31</b>                 | <b>-</b>                  | <b>0.31</b>        |
| Benefits paid   | (23.25)                     | -                         | (23.25)            | (57.87)                     | -                         | (57.87)            |
| <b>Remeasurement gains/(losses) in other comprehensive income</b>           | <b>-</b>                    | <b>-</b>                  | <b>-</b>           | <b>-</b>                    | <b>-</b>                  | <b>-</b>           |
| Return on plan assets (excluding amounts included in net interest expenses) | -                           | -                         | -                  | -                           | -                         | -                  |
| Actuarial changes arising from changes in demographic assumptions           | 1.01                        | -                         | 1.01               | 17.39                       | -                         | 17.39              |
| Actuarial changes arising from changes in financial assumptions             | -                           | -                         | -                  | -                           | -                         | -                  |
| Experience adjustments  | 1.09                        | -                         | 1.09               | -                           | -                         | -                  |
| Subtotal included in OCI  | -                           | -                         | -                  | -                           | -                         | -                  |
| Contributions by employer   | -                           | -                         | -                  | -                           | -                         | -                  |
| <b>Present value of DBO at the end of the year</b>                          | <b>68.85</b>                | <b>-</b>                  | <b>68.85</b>       | <b>74.76</b>                | <b>-</b>                  | <b>74.76</b>       |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

**(B) Major Category of Plan asset as percentage of total plan asset**

| Investments quoted in active markets:       | Gratuity       |                |                | Leave Encashment |                |                |
|---|----------------|----------------|----------------|------------------|----------------|----------------|
|   | March 31, 2019 | March 31, 2018 | April 01, 2017 | March 31, 2019   | March 31, 2018 | April 01, 2017 |
| Quoted equity investments                   | -              | -              | -              | -                | -              | -              |
| Manufacturing and consumer products sector  | -              | -              | -              | -                | -              | -              |
| Telecom sector                              | -              | -              | -              | -                | -              | -              |
| Cash and cash equivalents                   | -              | -              | -              | -                | -              | -              |
| Unquoted investments:                       | -              | -              | -              | -                | -              | -              |
| Bonds issued by India Government            | -              | -              | -              | -                | -              | -              |
| Scheme of Insurance - Conventional Products | 100.00%        | 100.00%        | 100.00%        | -                | -              | -              |
| <b>Total</b>                                | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>-</b>         | <b>-</b>       | <b>-</b>       |

The current service cost and net interest expense for the year pertaining to Gratuity expenses have been recognised in "Gratuity and compensated absences expenses". The remeasurements of the net defined benefit liability are included in Statement of Profit and Loss and Other Comprehensive Income in Statement of change in Equity.

**(C)**

| Expected payment for future years                        | Gratuity       |                |                | Leave Encashment |                |                |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 | April 01, 2017 | March 31, 2019   | March 31, 2018 | April 01, 2017 |
| Within the next 12 months (next annual reporting period) | 12.74          | 35.55          | 3.46           | -                | -              | -              |
| Between 2 and 5 years                                    | 62.35          | 74.09          | 51.84          | -                | -              | -              |
| Between 5 and 10 years                                   | 155.04         | 85.71          | 2.79           | -                | -              | -              |
| Beyond 10 years  | -              | -              | -              | -                | -              | -              |
| <b>Total expected payments</b>                           | <b>230.13</b>  | <b>195.35</b>  | <b>58.09</b>   | <b>-</b>         | <b>-</b>       | <b>-</b>       |

**(D) Changes in Fair Value of Plan Assets:**

|  | Gratuity       |                |                | Leave Encashment |                |                |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 | April 01, 2017 | March 31, 2019   | March 31, 2018 | April 01, 2017 |
| Plan Asset at the beginning of the Year  | 125.10         | 353.75         | 3.33           | -                | -              | -              |
| Asset Acquired in Business Combination   | -              | -              | 350.42         | -                | -              | -              |
| Expected Return on Plan Asset            | 8.55           | 13.31          | -              | -                | -              | -              |
| Remeasurement Gain/Loss on Plan Assets   | 7.67           | 39.55          | -              | -                | -              | -              |
| Actual Company Contributions             | 22.62          | 50.89          | -              | -                | -              | -              |
| Benefits Paid                            | (44.94)        | (332.40)       | -              | -                | -              | -              |
| Others                                   | -              | -              | -              | -                | -              | -              |
| <b>Plan Asset at the end of the Year</b> | <b>119.00</b>  | <b>125.10</b>  | <b>353.75</b>  | <b>-</b>         | <b>-</b>       | <b>-</b>       |



(Amount in ₹ lakhs, unless otherwise stated)

## (E) Actuarial Assumptions

## Financial Assumption

| Impact on defined benefits obligations | Gratuity       |                |                | Leave Encashment |                |                |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 | April 01, 2017 | March 31, 2019   | March 31, 2018 | April 01, 2017 |
| Discount Rate                          | 7.10%          | 7.50%          | 6.25%          | 7.10%            | 7.50%          | 6.25%          |
| Salary Escalation                      | 8.00%          | 8.00%          | 6.00%          | 8.00%            | 8.00%          | 6.00%          |

## Demographic Assumption

| Impact on defined benefits obligations | Gratuity   |  |  | Leave Encashment   |  |  |
|--|--|--|--|--|--|--|
|  | March 31, 2019   | March 31, 2018   | April 01, 2017   | March 31, 2019   | March 31, 2018   | April 01, 2017   |
| Mortality rate                         | Indian Assured Lives Mortality (2006-08) Ult.            | Indian Assured Lives Mortality (2006-08) Ult.            | Indian Assured Lives Mortality (2006-08) Ult.            | Indian Assured Lives Mortality (2006-08) Ult.            | Indian Assured Lives Mortality (2006-08) Ult.            | Indian Assured Lives Mortality (2006-08) Ult.            |
| Withdrawal Rate                        | 18-35 years: 20%<br>36-45 years: 15%<br>46 and above: 5% | 18-35 years: 20%<br>36-45 years: 15%<br>46 and above: 5% | 18-35 years: 20%<br>36-45 years: 15%<br>46 and above: 5% | 18-35 years: 20%<br>36-45 years: 15%<br>46 and above: 5% | 18-35 years: 20%<br>36-45 years: 15%<br>46 and above: 5% | 18-35 years: 20%<br>36-45 years: 15%<br>46 and above: 5% |

Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of sensitivity analysis from previous year.

| Impact on defined benefits obligations | March 31, 2019 | March 31, 2018 | April 01, 2017 |
|--|----------------|----------------|----------------|
| <b><u>Discount Rate</u></b>            |                |                |                |
| Increase by 0.5%                       | (3.34)         | (3.72)         | (0.33)         |
| Decrease by 0.5%                       | 3.54           | 3.96           | 0.35           |
| <b><u>Future salary increases</u></b>  | -              | -              | -              |
| Increase by 0.5%                       | 3.50           | 3.93           | 0.35           |
| Decrease by 0.5%                       | (3.33)         | 3.73           | (0.33)         |

Risk Analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risk pertaining to defined benefit plans and management estimation of the impact of these risks are as follows

**Salary Growth Rate**

The present value of defined benefit plans liability is calculated by reference to the future salaries of plan participants. Salary increase considered @ 8% . As such ,an increase in the salary of the plan participants will increase the plan's liability.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### Demographic Risk

This is the risk of variability of results due to systematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

### Interest rate risks

The defined benefit obligation uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase.

## 39. Revenue from Contract with Customers

Set out below is the disaggregation of the company revenue from contracts with customers and reconciliation to profit and loss account:

| Particulars  | For year ended March 31, 2019 |                 |              |                 |
|--|-------------------------------|-----------------|--------------|-----------------|
|  | Interest Income               | Support Service | Other Income | Total           |
| <b>Type of Services or service</b>                 |                               |                 |              |                 |
| Interest on ICD                                    | 16.54                         | -               | -            | 16.54           |
| Interest on CCD/ NCD                               | 342.15                        | -               | -            | 342.15          |
| Support Service Income                             | -                             | 2,330.46        | -            | 2,330.46        |
| Income from arbitrage & trading                    | -                             | -               | -            | -               |
| Profit on Sale/Redemption of Investments           | -                             | -               | 13.53        | 13.53           |
| Profit on Sale of Fixed Assets                     | -                             | -               | 4.66         | 4.66            |
| <b>Total revenue from contracts with customers</b> | <b>358.69</b>                 | <b>2,330.46</b> | <b>18.20</b> | <b>2,707.34</b> |
| <b>Geographical markets</b>                        |                               |                 |              |                 |
| India  | 358.69                        | 2,330.46        | 18.20        | 2,707.34        |
| Outside India                                      | -                             | -               | -            | -               |
| <b>Total revenue from contracts with customers</b> | <b>358.69</b>                 | <b>2,330.46</b> | <b>18.20</b> | <b>2,707.34</b> |
| <b>Timing of revenue recognition</b>               |                               |                 |              |                 |
| Services transferred at a point in time            | -                             | -               | 13.53        | 13.53           |
| Services transferred over time                     | 358.69                        | 2,330.46        | -            | 2,689.15        |

### Total revenue from Contracts with Customer

| Particulars  | For year ended March 31, 2018 |                 |              |                 |
|--|-------------------------------|-----------------|--------------|-----------------|
|  | Interest Income               | Support Service | Other        | Total           |
| <b>Type of Services or service</b>                 |                               |                 |              |                 |
| Interest on ICD                                    | 264.88                        | -               | -            | 264.88          |
| Interest on CCD/ NCD                               | 450.80                        | -               | -            | 450.80          |
| Support Service Income                             | -                             | 3,672.43        | -            | 3,672.43        |
| Income from arbitrage & trading                    | -                             | -               | 24.46        | 24.46           |
| Profit on Sale/Redemption of Investments           | -                             | -               | 14.38        | 14.38           |
| Profit on Sale of Fixed Assets                     | -                             | -               | 2.28         | 2.28            |
| <b>Total revenue from contracts with customers</b> | <b>715.68</b>                 | <b>3,672.43</b> | <b>38.84</b> | <b>4,429.23</b> |



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars                                 | For year ended March 31, 2018 |                 |       |          |
|---|-------------------------------|-----------------|-------|----------|
|   | Interest Income               | Support Service | Other | Total    |
| <b>Geographical markets</b>                 |                               |                 |       |          |
| India                                       | 715.68                        | 3,672.43        | 38.84 | 4,426.95 |
| Outside India                               | -                             | 11,017.29       | -     | -        |
| Total revenue from contracts with customers | 715.68                        | 14,689.72       | 38.84 | 4,426.95 |
| <b>Timing of revenue recognition</b>        |                               |                 |       |          |
| Services transferred at a point in time     |                               |                 | 14.38 | 14.38    |
| Services transferred over time              | 715.68                        | 3,672.43        | 24.46 | 4,412.57 |

**Total revenue from Contracts with Customers****Contract Balances**

| Particulars      | March 31, 2019 | March 31, 2018 | April 1, 2017 |
|------------------|----------------|----------------|---------------|
| Trade receivable | 763.51         | 554.02         | 693.68        |

**Revenue recognised in the period from:**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2019, ₹ 573.96 lakhs (2018: ₹ 471.04 lakhs and 2017: ₹ 103.52 lakhs) was recognised as provision for expected credit losses on trade receivable

**40. First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company, which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

**40.1 Exemptions Applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

1. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
2. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

**3. Use of Fair value as deemed cost:**

On transition date, IND AS 101 allow an entities to treat fair value as deemed cost for investments held in subsidiary companies i.e Religare Finvest Limited, Religare Broking Limited, Religare Comtrade Limited and Religare Health Insurance Company Limited. Accordingly, the Company has elected to treat fair value as at April 01, 2017 as deemed cost for its investment held in subsidiary companies which is carried at ₹ 213,706.89 Lakhs. The aggregate adjustment to carrying amount reported under previous GAAP is ₹ 54,117.50 Lakhs.

**4. Employees Stock Option Scheme**

Under Ind AS 101, there is an exemption of accounting for the entity with regard to the options vested before the transition date. Accordingly, the company has not accounted the same.



## 5. Business Combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 1, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Hon'able NCLT vide its order dated December 08, 2017 approved the Scheme of Arrangement/ Amalgamation between Religare Enterprises Limited and its Ten (10) subsidiary companies. Appointed date of scheme was April 01, 2016 and effective date of scheme was December 29, 2017. The effect of the scheme was considered during the year ended March 31, 2018.

The Property plant and Equipment and intangible assets pertaining to respective subsidiaries was recorded in REL books at its book value under IGAAP during year end March 31, 2018. In IND AS financial, these assets recorded at Net Carrying Value(Cost less accumulated depreciation) on the date of transition.

### 40.2 Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

### 40.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

### 40.4 De-recognition

The Company have applied de-recognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

#### **Derecognition of financial assets and financial liabilities**

A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities under its previous GAAP as a result of a transaction that occurred before the date of transition, it should not recognise those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

#### **Other key exemptions/ exceptions under Ind AS 101 not applied by the company**

##### **Fair value measurement of financial assets or financial liabilities**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on



or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

#### 40.5 Non-current assets held for sale and discontinued operations

Ind AS 105 requires non-current assets (or disposal Companies) that meet the criteria to be classified as held for sale, non-current assets (or disposal Companies) that are held for distribution to owners and operations that meet the criteria to be classified as discontinued and carried at lower of its carrying amount and fair value less cost to sell on the initial date of such identification. Ind AS 105 also requires that a non-current asset classified as held for sale or forming part of disposal Company should not be depreciated or amortised, if the asset's measurement is covered within the scope of Ind AS 105.

Measure such assets or operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind AS's in accordance with Ind AS 105, and

Recognise directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind ASs determined under the entity's previous GAAP.

#### Equity reconciliation for April 1, 2017

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars                                       | Previous GAAP     | Adjustments       | Ind AS            |
|---|-------------------|-------------------|-------------------|
| <b>Financial Assets</b>                           |                   |                   |                   |
| Cash and cash equivalents                         | 406.02            | 0.00              | 406.02            |
| Bank Balance other than cash and cash equivalents | 58.50             | (0.00)            | 58.50             |
| Derivative financial instruments                  |                   | -                 | -                 |
| Trade Receivables                                 |                   | -                 | -                 |
| Loans   | 8,993.73          | 1,015.28          | 7,978.46          |
| Investment in associate                           | 332,917.45        | 116,161.59        | 216,755.86        |
| Investments                                       |                   |                   |                   |
| Other Financial asset                             | 2,343.77          | 169.42            | 2,174.35          |
| <b>Total(A)</b>                                   | <b>344,719.47</b> | <b>117,346.29</b> | <b>227,373.19</b> |
| <b>Non-financial assets</b>                       |                   |                   |                   |
| Current tax assets (net)                          | 8,781.75          | 171.59            | 8,610.17          |
| Deferred tax assets (net)                         | 509.93            | (171.59)          | 681.52            |
| Property, plant and equipment                     | 209.35            | 0.00              | 209.35            |
| Goodwill  |                   | -                 | -                 |
| Other Intangible assets                           | 228.73            | (0.00)            | 228.73            |
| Other non-financial assets                        | 1,521.96          | (66.40)           | 1,588.36          |
| <b>Total(B)</b>                                   | <b>11,251.73</b>  | <b>(66.40)</b>    | <b>11,318.13</b>  |
| <b>Total(A+B)</b>                                 | <b>355,971.20</b> | <b>117,279.88</b> | <b>238,691.31</b> |
| <b>Liabilities and equity</b>                     |                   |                   |                   |
| <b>Liabilities</b>                                |                   |                   |                   |
| <b>Financial liabilities</b>                      |                   |                   |                   |
| Payables  | 2,785.55          | (102.13)          | 2,887.69          |
| Debt securities                                   | 19,229.92         | (14,610.00)       | 33,839.92         |
| Borrowings (other than debt securities)           | 5,905.46          | (6,201.43)        | 12,106.89         |
| Due to customers                                  |                   | -                 | -                 |
| Other financial liability                         | 20,454.66         | 14,712.14         | 5,742.52          |
| <b>Total(A)</b>                                   | <b>48,375.59</b>  | <b>(6,201.43)</b> | <b>54,577.02</b>  |





# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | Previous GAAP | Adjustments | Ind AS     |
|--|---------------|-------------|------------|
| <b>Non-financial liabilities</b>                     |               |             |            |
| Current tax liabilities (net)                        |               | -           |            |
| Provisions/other payable                             | 63,285.45     | 63,119.81   | 165.64     |
| Deferred tax liabilities (net)                       |               | -           |            |
| Other current liability                              | 477.36        | (0.00)      | 477.36     |
| <b>Total(B)</b>                                      | 63,762.81     | 63,119.81   | 643.00     |
| <b>Total Liabilities</b>                             | 112,138.40    | 56,918.38   | 55,220.02  |
| <b>Equity attributable to shareholders of parent</b> | 17,833.45     | -           | 17,833.45  |
| <b>Non- controlling interest</b>                     |               | -           | -          |
| <b>Preference Share</b>                              | 2,650.00      | 2,650.00    |            |
| <b>Other equity</b>                                  | 223,356.73    | 57,718.88   | 165,637.85 |
| <b>Total equity</b>                                  | 243,840.18    | 60,368.88   | 183,471.30 |
| <b>Total liabilities and equity</b>                  | 355,978.58    | 117,287.26  | 238,691.31 |

### Equity reconciliation for March 31, 2018

| Particulars                                       | Previous GAAP | Adjustments  | Ind AS     |
|---|---------------|--------------|------------|
| <b>Financial Assets</b>                           |               |              |            |
| Cash and cash equivalents                         | 38.31         |              | 38.31      |
| Bank Balance other than cash and cash equivalents | 52.41         | (0.00)       | 52.41      |
| Loans   | 7,890.71      | (7,615.11)   | 275.60     |
| Investment in associate                           | 339,026.98    | (128,122.69) | 210,904.30 |
| Investments                                       | 1,096.58      | 146.48       | 1,243.05   |
| Other Financial asset                             | 1,492.26      | (632.52)     | 859.73     |
| <b>Total(A)</b>                                   | 349,597.25    | (136,223.85) | 213,373.41 |
| <b>Non-financial assets</b>                       |               |              |            |
| Current tax assets (net)                          | 8,773.49      | (0.00)       | 8,773.49   |
| Deferred tax assets (net)                         | 171.59        | (0.00)       | 171.59     |
| Property, plant and equipment                     | 142.63        | 0.01         | 142.63     |
| Other Intangible assets                           | 85.86         | 0.00         | 85.86      |
| Other non-financial assets                        | 3,069.95      | (1,337.47)   | 1,732.48   |
| <b>Total(B)</b>                                   | 12,243.51     | (1,337.47)   | 10,906.04  |
| <b>Total(A+B)</b>                                 | 361,840.76    | (137,561.31) | 224,279.45 |
| <b>Liabilities and equity</b>                     |               |              |            |
| <b>Liabilities</b>                                |               |              |            |
| <b>Financial liabilities</b>                      |               |              |            |
| Payables  | 1,099.42      | 0.00         | 1,099.42   |
| Debt securities                                   | 2,966.47      | 0.00         | 2,966.47   |
| Borrowings (other than debt securities)           | 44,972.04     | 6,883.59     | 51,855.63  |
| Due to customers                                  |               | -            |            |
| Other financial liability                         | 8,258.07      | 9,119.00     | 17,377.07  |
| <b>Total(A)</b>                                   | 57,296.00     | 16,002.59    | 73,298.59  |



(Amount in ₹ lakhs, unless otherwise stated)

| Particulars                      | Previous GAAP | Adjustments | Ind AS    |
|----------------------------------|---------------|-------------|-----------|
| <b>Non-financial liabilities</b> |               |             |           |
| Current tax liabilities (net)    |               |             |           |
| Provisions/other payable         | 71,674.66     | (71,577.27) | 97.39     |
| Deferred tax liabilities (net)   |               |             |           |
| Other current liability          | 48.21         | (0.00)      | 48.21     |
| <b>Total(B)</b>                  | 71,722.87     | (71,577.27) | 145.60    |
| <b>Total Liabilities</b>         | 129,018.87    | (55,574.69) | 73,444.18 |

**Profit Reconciliation for the year ended March 31, 2018**

| Particulars  | Previous GAAP | Adjustments | Ind AS      |
|--|---------------|-------------|-------------|
| <b>Revenue from operations</b>                                   |               |             |             |
| Interest income  | 730.06        | 728.91      | 1,458.98    |
| Revenue from contracts with customers                            | 3,696.89      | 14.38       | 3,711.27    |
| Net gain on fair value changes                                   | -             | 86.04       | 86.04       |
| <b>Total revenue from operations</b>                             | 4,426.95      | 829.33      | 5,256.28    |
| Other Income   | 2,672.64      | (739.49)    | 1,933.15    |
| <b>Total income</b>  | 7,099.59      | 89.84       | 7,189.43    |
| <b>Expenses</b>  |               |             |             |
| Finance costs  | 4,988.56      | 682.16      | 5,670.71    |
| Employee benefits expenses                                       | 1,854.43      | (17.75)     | 1,836.68    |
| Depreciation, amortisation and impairment                        | 205.91        | -           | 205.91      |
| Impairment on Financial Instruments                              | -             | 11,903.96   | 11,903.96   |
| Others expenses  | 11,783.69     | 9,128.35    | 20,912.04   |
| <b>Total expenses</b>  | 18,832.58     | 21,696.72   | 40,529.30   |
| <b>Profit /(loss) before exceptional items and tax</b>           | (11,732.99)   | (21,606.88) | (33,339.87) |
| Exceptional items  |               |             |             |
| <b>Profit/(loss) before tax</b>                                  | (11,732.99)   | (21,606.88) | (33,339.87) |
| Tax Expense:   |               |             |             |
| (1) Current Tax  | (1,224.63)    | -           | (1,224.63)  |
| (2) Deferred Tax   | 509.93        | -           | 509.93      |
| <b>Profit / (loss) for the period from continuing operations</b> | (11,018.29)   | (21,606.88) | (32,625.17) |
| <b>Other comprehensive Income</b>                                |               |             |             |
| (i) Items that will be reclassified to profit or loss            | -             | -           | (10.87)     |
| (II) Items that will not be reclassified to profit or loss       | -             | -           | -           |
| (II) Items that will not be reclassified to profit or loss       | (11,018.29)   | (21,606.88) | (32,636.04) |
| <b>Total comprehensive income</b>                                | (11,018.29)   | (21,606.88) | (32,636.04) |

**40.5.1 Ind AS impact on Income Statements**

- 1 In IGAAP interest on income tax refund shown as Other Income whereas in IND AS it is shown as Interest Income
- 2 Under IGAAP scenario Income from Profit on Sale/Redemption of Non Current and Current Investments presented as other income whereas under IND AS the same is treated as Revenue from operation.



## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

- 3 Under IGAAP Gain/ Loss due to changes in fair valuation of Mutual fund, venture capital fund and alternative investment fund on reporting date not recognised whereas under IND AS this is recognised as Income or loss.
- 4 Under IGAAP interest on income tax refund shown as "Other Income" whereas under IND AS it is shown as part of Interest Income.
- 5 Under Redeemable preference shares shown as part of share capital whereas under IND AS the same accounted as a financial liability measured initially at the fair value and subsequently at amortised cost with the interest accretion at EIR based on the IRR calculated on the yield thereon
- 6 **Re-measurement of defined benefit obligations**  
Under Previous GAAP, re-measurements i.e. actuarial gains and losses and the return on plan assets were recognised in employee benefit expenses. Under Ind AS, such remeasurements are recognised in other comprehensive income (OCI). As a result of this change, the profit for the year ended March 31, 2017 has increased and OCI has decreased. Due to this adjustment there is no impact on the total equity as at March 31, 2017
- 7 The provision for recoverable service under IGAAP based on specific case to case basis, Under INDAS provision on recoverable on support services as per ECL computation . The ECL model used by the company for computation f provision on recoverable from support service is base on simplified approach as suggested under INDAS.

#### **40.5.2 Ind AS impact on Balance Sheet**

- 1 Under IND AS Redeemable preference share treated as Borrowing. The redeemable preference shares accounted as a financial liability measured initially at the fair value and subsequently at amortised cost with the interest accretion at EIR based on the IRR calculated on the yield thereon.
- 2 Under previous GAAP all financial and non financial assets shown at gross value and provisions thereon shown as liabilities whereas under IND AS the same are shown as value net of provisions.
- 3 Under IND AS any letter of comfort issued in favor of subsidiaries has to be treated as financial liability against contingent liability under IGAAP. The letter of comfort issued in favor of RCTL has been booked as financial liability of ₹ 9,119 Lakhs in REL books.
- 4 Investment in subsidiaries, associates etc. shown at as deemed cost basis. The investment shown at fair value on the date of transition i.e. April 1, 2018

#### **40.6 Trade receivables /loans to customer**

Under Indian GAAP, the Company has created provision for impairment of receivables / loans to customer consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its trade receivable / loans to customer on April 1, 2017 which has been eliminated against retained earnings. The impact of ₹ 358 lakhs for year ended on March 31, 2018 has been recognised in the statement of profit and loss.

#### **40.7 Reclassification of Unbilled revenue and deferred revenue**

Under Indian GAAP unbilled revenue and deferred revenue was presented under other current asset and other current liability respectively. Under Ind AS these are presented on face of balance sheet as contract asset and contract liabilities respectively. Consequently reclassification adjustment is recorded for the same.

#### **40.8 Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 65 Million and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

#### **40.9 Effective Interest Rate (EIR)**

- a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.



- b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.

#### 40.10 Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

#### 40.11 Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

#### 40.12 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

### 41. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table shows the income and share data used in the basic and diluted EPS calculations:

#### A. Continuing operations: (Amount in ₹ lakhs, unless otherwise stated)

| Particulars  | 2018-19     | 2017-18     |
|--|-------------|-------------|
| Net profit from continued operation attributable to equity holders of the parent   | (14,611.22) | (32,625.15) |
| Interest on contingent convertible bonds   | -           | -           |
| Interest on convertible bond   | -           | -           |
| Net profit from continuing operation attributable to ordinary equity holders of the parent adjusted for the effect of dilution | -           | -           |
| Particulars  | 2018-19     | 2017-18     |
| Weighted average number of ordinary shares for basic earnings per share  | 210,721,468 | 178,439,038 |
| Effect of dilution:  |             |             |
| - Contingent convertible bonds   | -           | -           |
| - Convertible bonds  | -           | -           |
| Weighted average number of ordinary shares adjusted for the effect of dilution   | 210,721,468 | 178,439,038 |
| Basic earnings per share   | (6.93)      | (18.28)     |
| Diluted earnings per share   | (6.93)      | (18.28)     |

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of EPS.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### 42. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

| Particulars  | March 31, 2019     |                   |                   | March 31, 2018     |                   |                   | April 1, 2017      |                   |                   |
|--|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|  | Within 12 months   | After 12 months   | Total             | Within 12 months   | After 12 months   | Total             | Within 12 months   | After 12 months   | Total             |
| <b>Assets</b>  |                    |                   |                   |                    |                   |                   |                    |                   |                   |
| Cash and cash equivalents  | 344.51             | -                 | 344.51            | 38.31              | -                 | 38.31             | 406.02             | -                 | 406.02            |
| Bank Balance other than above  | 4.40               | 1.00              | 5.40              | 52.41              | 10.96             | 63.37             | 58.50              | 0.50              | 59.00             |
| Security Deposit   | 660.88             |                   | 660.88            | 656.79             |                   | 656.79            | 1,169.91           |                   | 1,169.91          |
| Loans  | -                  | -                 | -                 | 275.60             | -                 | 275.60            | 7,978.46           | -                 | 7,978.46          |
| Investments  | 265.49             | 210,943.92        | 211,209.41        | 2,240.69           | 209,906.66        | 212,147.35        | 1,496.05           | 215,259.81        | 216,755.86        |
| Other Financial Assets   | 1,682.14           |                   | 1,682.14          | 191.98             | -                 | 191.98            | 1,003.94           | -                 | 1,003.94          |
| <b>Non-financial Assets</b>  |                    |                   |                   |                    |                   |                   |                    |                   |                   |
| Current Tax Asset (Net)  | 5,472.11           | -                 | 5,472.11          | 8,773.49           | -                 | 8,773.49          | 8,781.76           | -                 | 8,781.76          |
| Deferred Tax Assets (Net)  | 173.56             | -                 | 173.56            | 171.59             | -                 | 171.59            | 509.93             | -                 | 509.93            |
| Property, Plant and Equipment  | -                  | 108.64            | 108.64            | -                  | 142.63            | 142.63            | -                  | 209.35            | 209.35            |
| Other Intangible assets  | -                  | 39.04             | 39.04             | -                  | 85.86             | 85.86             | -                  | 228.73            | 228.73            |
| Other Non-Financial Assets   | 438.79             | 1,064.22          | 1,503.01          | 630.87             | 1,101.62          | 1,732.48          | 652.52             | 935.84            | 1,588.36          |
| <b>Total Assets</b>  | <b>9,041.88</b>    | <b>212,156.82</b> | <b>221,198.70</b> | <b>13,031.73</b>   | <b>211,247.72</b> | <b>224,279.45</b> | <b>22,057.08</b>   | <b>216,634.23</b> | <b>238,691.31</b> |
| <b>LIABILITIES</b>   |                    |                   |                   |                    |                   |                   |                    |                   |                   |
| <b>Financial Liabilities</b>   |                    |                   |                   |                    |                   |                   |                    |                   |                   |
| <b>Trade Payables</b>  |                    |                   |                   |                    |                   |                   |                    |                   |                   |
| (i) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,003.35           | -                 | 1,003.35          | 1,099.42           | -                 | 1,099.42          | 2,887.69           | -                 | 2,887.69          |
| Debt Securities  | -                  | -                 | -                 | 2,966.48           | -                 | 2,966.48          | 33,839.92          | -                 | 33,839.92         |
| Borrowings (Other than debt securities)  | 38,058.74          | -                 | 38,058.74         | 44,972.05          | 6,883.59          | 51,855.64         | 5,905.46           | 6,201.43          | 12,106.89         |
| Deposits   | 1,802.48           | -                 | 1,802.48          | 1,802.48           | -                 | 1,802.48          | 2,907.29           | -                 | 2,907.29          |
| Other financial liabilities (to be specified)  | 14,226.67          | -                 | 14,226.67         | 15,574.59          | -                 | 15,574.59         | 2,835.23           | -                 | 2,835.23          |
| <b>Non-Financial Liabilities</b>   |                    |                   |                   |                    |                   |                   |                    |                   |                   |
| Current tax liability  | -                  | -                 | -                 | -                  | -                 | -                 | -                  | -                 | -                 |
| Provisions   | 68.85              | -                 | 68.85             | 97.40              | -                 | 97.40             | 165.64             | -                 | 165.64            |
| Deferred tax liabilities (net)   | -                  | -                 | -                 | -                  | -                 | -                 | -                  | -                 | -                 |
| Other Non Financial Assets   |                    |                   |                   | 48.21              | -                 | 48.21             | 477.36             | -                 | 477.36            |
| <b>Total liabilities</b>   | <b>55,283.41</b>   | <b>-</b>          | <b>55,283.41</b>  | <b>66,560.63</b>   | <b>6,883.59</b>   | <b>73,444.22</b>  | <b>49,018.58</b>   | <b>6,201.43</b>   | <b>55,220.02</b>  |
| <b>Net</b>   | <b>(46,241.53)</b> | <b>212,156.82</b> | <b>165,915.30</b> | <b>(53,528.91)</b> | <b>204,364.14</b> | <b>150,835.23</b> | <b>(26,961.50)</b> | <b>210,432.80</b> | <b>183,471.30</b> |



## 43. Related Party Disclosures

| Nature of Relationship              | Name of Party   |
|-------------------------------------|---|
| (a) (i) Subsidiaries                | Religare Securities Limited (till December 29, 2017)<br>Religare Finvest Limited<br>Religare Capital Markets Limited*<br>Religare Support Services Limited (till December 29, 2017)<br>Religare Arts Initiative Limited (till December 29, 2017)<br>Religare Health Insurance Company Limited<br>Religare Capital Markets (India) Limited (till December 29, 2017)<br>RGAM Investment Advisers Private Limited (till December 29, 2017)<br>Religare Commodity Broking Private Limited (till December 29, 2017)<br>Religare Broking Limited<br>Religare Credit Advisors Private Limited<br>Religare Insurance Limited<br>Religare Comtrade Limited (w.e.f December 31, 2018)<br>Religare Global Asset Management Inc. (w.e.f December 29, 2017)  |
| (a) (ii) Subsidiaries of Subsidiary | Religare Arts Investment Management Limited (till December 29, 2017)<br>Religare Housing Development Finance Corporation Limited<br>Religare Commodities Limited<br>Religare Capital Markets International (Mauritius) Limited*<br>Religare Capital Markets International (UK) Limited* (till March 3, 2019)<br>Religare Capital Markets (Europe) Limited*<br>Religare Capital Markets (UK) Limited*<br>Religare Capital Markets Corporate Finance Pte Limited*<br>Religare Capital Markets (Hongkong) Limited*<br>Tobler (UK) Limited*<br>Kyte Management Limited*<br>Religare Capital Markets (Singapore) Pte Limited*<br>Bartleet Wealth Management (Private) Limited*<br>(formerly Religare Bartleet Capital Markets (Private) Limited)<br>Bartleet Asset Management (Private) Limited*<br>Strategic Research Limited*<br>Bartleet Religare Securities (Private) Limited*<br>Religare Business Solutions Limited<br>Religare Advisors Limited (Formerly Religare Wealth Management Limited)<br>Religare Capital Markets Inc. *<br>Cerestra Advisors Limited (till September 7, 2017)<br>Religare Venture Capital Limited (till December 29, 2017)<br>Religare Investment Advisors Limited (till December 29, 2017)<br>RGAM Capital India Limited (formerly Northgate Capital Asia (India) Limited ) (till December 29, 2017)<br>Religare Capital Finance Limited (formerly Religare Share Brokers Limited) (till December 29, 2017) |



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## For the year ended March 31, 2019

| Nature of Relationship   | Name of Party   |
|--|---|
| (a) (iii) Joint Ventures of Subsidiaries   | Religare Heal Fund Advisors LLP (dissolved w.e.f May 27, 2017)<br>Milestone Religare Capital Management Limited (till August 17, 2017)  |
| (a) (iv) Associate of Subsidiaries   | -   |
| (b) Joint Ventures   | IBOF Investment Management Private Limited (formerly Quadria Investment Management Private Limited) (w.e.f. December 29, 2017)  |
| (c) Individuals owning directly or indirectly interest in voting power that gives them control | Mr. Malvinder Mohan Singh (upto Feb 14 ,2018)<br>Mr. Shivinder Mohan Singh (upto Feb 14 ,2018)<br><br><u>Relatives of Mr Malvinder Mohan Singh</u><br>-Mrs. Japna Malvinder Mohan Singh (upto Feb 14 ,2018)<br>-Mrs. Nimmi Singh (upto Feb 14 ,2018)<br>-Ms. Nimrita Parvinder Singh, (upto Feb 14 ,2018)<br>-Ms. Nanaki Parvinder Singh (upto Feb 14 ,2018)<br>-Ms. Nandini Parvinder Singh (upto Feb 14 ,2018)<br>-Ms. Harjit Grewal (upto Feb 14 ,2018)<br>-Mr. Shivinder Mohan Singh (upto Feb 14 ,2018)<br>-Mrs. Aditi Shivinder Singh (upto Feb 14 ,2018)<br><br>Mr. Shivinder Mohan Singh (upto Feb 14 ,2018)<br><u>Relatives of Mr Shivinder Mohan Singh</u><br>-Mrs. Aditi Shivinder Singh (upto Feb 14 ,2018)<br>-Mrs. Nimmi Singh (upto Feb 14 ,2018)<br>-Mr. Udayveer Parvinder Singh, (upto Feb 14 ,2018)<br>-Mr. Vivan Parvinder Singh (upto Feb 14 ,2018)<br>-Mr. Kabir Parvinder Singh (upto Feb 14 ,2018)<br>-Mr. Anhad Parvinder Singh (upto Feb 14 ,2018)<br>-Ms. Harjit Grewal (upto Feb 14 ,2018)<br>-Mr. Malvinder Mohan Singh (upto Feb 14 ,2018)<br>-Mrs. Japna Malvinder Singh (upto Feb 14 ,2018) |
| (d) Key Managerial personnel   | Mr. Sunil Godhwani - Whole Time Director (till September 06, 2017)<br>Mr. Maninder Singh - Group CEO (w.e.f. March 22, 2017- Nov 14, 2017)<br>Mr. Anil Saxena - Group CFO (till Nov 14, 2017)<br>Mr. Subramanian Lakshminarayanan (Nov 14, 2017 - Jan 22, 2018)<br>Mr. Francis Danial lee (Nov 17, 2017 to Jan 24, 2018)<br>Mr. Krishnan Subramanian (till March 11, 2019)<br>Mr. Ashok Mehta (w.e.f Apr 17 , 2018 till August 7, 2018)<br>Mr. Milind Narendra Patel- Group CEO (w.e.f August 7 , 2018)<br><u>Independent Directors</u><br>Mrs. Sabina Vaisoha (w.e.f April 01. 2018)<br>Mr. Vikram Talwar (till Sept 20, 2018)   |





| Nature of Relationship  | Name of Party  |
|---|--|
| (e) Enterprises over which (c) and (d) are able to exercise significant influence with whom transactions have taken place | Mr. R.K. Shetty (till Jun 30, 2018)                      |
|   | Mr. Padam Bahl (till Jun 04, 2018)                       |
|   | Mr. Deepak Sabnani ( till May 18, 2018)                  |
|   | Mrs. Vijaylakshmi Rajaram Iyer (w.e.f May 08, 2018)      |
|   | Mr. Malay Kumar Sinha (w.e.f May 28, 2018)               |
|   | Mr. Sushil Chandra Tripathi (w.e.f August 01, 2018)      |
|   | Dr. Rashmi Saluja ( w.e.f December 20, 2018)             |
|   | RHC Holding Private Limited (upto February 14, 2018)     |
|   | RC Nursery Private Limited (upto February 14, 2018)      |
|   | Oscar Investments Limited (upto February 14, 2018)       |
|   | ANR Securities Private Limited (upto February 14 , 2018) |
|   | RHC Finance Private Limited (upto February 14, 2018)     |
|   | Dion Global Solutions Limited (upto February 14, 2018)   |

\* Refer Note 47(h)

(Amount in ₹ lakhs, unless otherwise stated)

**43.1 (b) -Following transactions were carried out with related parties in the ordinary course of business at arm's length basis:**

| Nature of Transactions                       | Name of the Related Party                | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--|--|---------|---------------------------|---------------------------|
| <b>Inter Corporate Loans taken</b>           |  |         |                           |                           |
|  | RHC Holding Private Limited              | ( e)    |                           |                           |
|  | RGAM Investment Advisers Private Limited | a (i)   | -                         | -                         |
|  | Religare Comtrade Limited                | a (ii)  | 4,500.00                  | 27,713.04                 |
|  | Religare Finvest Limited                 | a (i)   | -                         | 21,350.00                 |
| <b>Inter Corporate Loans taken Total</b>     |  |         | <b>4,500.00</b>           | 49,063.04                 |
| <b>Inter Corporate Loans repaid</b>          |  |         |                           |                           |
|  | Religare Comtrade Limited                | a (ii)  | 21,271.12                 | 1,445.00                  |
|  | Religare Finvest Limited                 | a (i)   | -                         | 3,475.46                  |
| <b>Inter Corporate Loans repaid Total</b>    |  |         | <b>21,271.12</b>          | 4,920.46                  |
| <b>Issue of Commercial Paper (net)</b>       |  |         |                           |                           |
|  | Religare Finvest Limited                 | a (i)   | -                         | 22,456.45                 |
|  | Religare Comtrade Limited                | a (ii)  | -                         | 14,108.85                 |
| <b>Issue of Commercial Paper (net) Total</b> |  |         | <b>-</b>                  | 36,565.29                 |
| <b>Redemption of Commercial Paper</b>        |  |         |                           |                           |
|  | Religare Finvest Limited                 | a (i)   | -                         | 24,400.00                 |
|  | Religare Comtrade Limited                | a (ii)  | -                         | 29,990.66                 |
| <b>Redemption of Commercial Paper Total</b>  |  |         | <b>-</b>                  | 54,390.66                 |
| <b>Inter Corporate Loans Given</b>           |  |         |                           |                           |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions   | Name of the Related Party  | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--|--|---------|---------------------------|---------------------------|
|  | ANR Securities Private Limited   | ( e )   | -                         | 750.00                    |
|  | Religare Comtrade Limited  | a (ii)  | -                         | 319.00                    |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) |         | -                         | 35.00                     |
| <b>Inter Corporate Loans Given Total</b>   |  |         | -                         | 1,104.00                  |
| Inter Corporate Loans Received Back  |  |         |                           |                           |
|  | ANR Securities Private Limited   | ( e )   | -                         | 872.38                    |
|  | Religare Comtrade Limited  | a (ii)  | 269.00                    | 91.56                     |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | ( e )   | 35.00                     | -                         |
|  | Cerestra Advisors Ltd(Formerly known as Religare Finance Limited)        | a (ii)  | -                         | 1,242.07                  |
| <b>Inter Corporate Loans Received Back Total</b>   |  |         | 304.00                    | 2,206.01                  |
| Corporate Guarantee given on behalf of subsidiaries  |  |         |                           |                           |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 5,000.00                  | 42,500.00                 |
| <b>Corporate Guarantee given on behalf of subsidiaries Total</b>                                     |  |         | 5,000.00                  | 42,500.00                 |
| Subscription/Investment to Equity / Preference Shares/ Commercial Papers by the Company              |  |         |                           |                           |
|  | Religare Health Insurance Company Limited (Equity)                       | a (i)   | 4,985.93                  | 6,747.56                  |
|  | Religare Commodities Limited   | a (ii)  | -                         | 1,859.00                  |
|  | Religare Comtrade Limited (NCD)  | a (ii)  | 2,500.00                  | 2,000.00                  |
|  | Religare Comtrade Limited ( Conversion of Interest)                      | a (ii)  | 212.67                    | -                         |
|  | Religare Comtrade Limited (Commercial Paper)                             | a (ii)  | -                         | 3,959.32                  |
| <b>Subscription/Investment to Equity / Preference Shares/ Commercial Papers by the Company Total</b> |  |         | 7,698.60                  | 14,565.88                 |
| Allotment of Equity Shares pursuant to Composite Scheme of Arrangement                               | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | -                         | 3,449.28                  |
| <b>Allotment of Equity Shares pursuant to Composite Scheme of Arrangement Total</b>                  |  |         | -                         | 3,449.28                  |
|  |  |         |                           |                           |
| Issue of Bonus Shares  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | -                         | 14,629.80                 |
| <b>Issue of Bonus Shares Total</b>   |  |         | -                         | 14,629.80                 |
| <b>Preferential Allotment / Warrants</b>   |  |         |                           |                           |
|  | Mr. Ashok Mehta  | (d)     | 2,500.00                  | -                         |
| <b>Preferential Allotment / Warrants</b>   |  |         | 2,500.00                  | -                         |



| Nature of Transactions  | Name of the Related Party   | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|---|---------|---------------------------|---------------------------|
| Repayment of liabilities to other parties for & On behalf of Transferee Company as per the Composite Scheme of Arrangement                  |   |         |                           |                           |
|   | Religare Broking Limited (formerly known as Religare Securities Limited)  | a (i)   | -                         | 5,042.48                  |
| <b>Repayment of liabilities to other parties for &amp; On behalf of Transferee Company as per the Composite Scheme of Arrangement Total</b> |   |         | -                         | 5,042.48                  |
| Payment Paid against the recoverable by Virtue of Merger  |   |         |                           |                           |
|   | Religare Broking Limited (formerly known as Religare Securities Limited)  | a (i)   | 5,375.76                  | 1,506.00                  |
| <b>Payment Paid against the recoverable by Virtue of Merger Total</b>   |   |         | 5,375.76                  | 1,506.00                  |
| Sale of Investment in Equity Shares/ Commercial Papers  |   |         |                           |                           |
|   | Religare Comtrade Limited   | a (ii)  | -                         | 5,000.00                  |
| <b>Sale of Investment in Equity Shares/ Commercial Papers Total</b>   |   |         | -                         | 5,000.00                  |
| <b>Other Receipt / Payment Adjustments</b>  |   |         |                           |                           |
| Inter Corporate Loans Repaid  | Religare Comtrade Limited **  | a (ii)  | (1,490.00)                | -                         |
| Payment made against the recoverable by Virtue of Merger  | Religare Broking Limited (formerly known as Religare Securities Limited)* | a (i)   | (1,375.76)                | -                         |
| Repayment of ICD by RBL on behalf of REL (Knocking of Intercompany Asset and liabilities)   | Religare Comtrade Limited**   | a (ii)  | 1,490.00                  | -                         |
| Repayment of interest by RBL on behalf of REL (Knocking of Intercompany Asset and liabilities)  | Religare Comtrade Limited**   | a (ii)  | 72.70                     | -                         |
| <b>Other Receipt / Payment Adjustments Total</b>  |   |         | (1,303.06)                |                           |
| <b>Repayment of Security Deposits Received (for appointment of directors) Total</b>   |   |         |                           |                           |
|   | Religare Capital Markets (India) Limited                                  | a (i)   | -                         | 1.00                      |
|   | Religare Broking Limited (formerly known as Religare Securities Limited)  | a (i)   | -                         | 3.00                      |
|   | Religare Finvest Limited  | a (i)   | -                         | 2.00                      |
|   | Religare Health Insurance Company Limited                                 | a (i)   | -                         | 1.00                      |
| <b>Security Deposits Given (for appointment of directors) Total</b>   |   |         | -                         | 7.00                      |
| Refund of Security Deposits Given (for appointment of directors)  |   |         |                           |                           |
|   | Religare Finvest Limited  | a (i)   | -                         | 2.00                      |
|   | Religare Capital Markets Limited  | a (i)   | -                         | 1.00                      |
|   | Religare Health Insurance Company Limited                                 | a (i)   | -                         | 2.00                      |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions  | Name of the Related Party  | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|--|---------|---------------------------|---------------------------|
|   | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | -                         | 3.00                      |
| <b>Refund of Security Deposits Given (for appointment of directors) Total</b> |  |         | -                         | 8.00                      |
| <b>Security Deposits Paid / Refunded</b>                                      |  |         |                           |                           |
|   | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | -                         | 356.28                    |
|   | Religare Commodities Limited   | a (ii)  | -                         | 23.72                     |
|   | Religare Finvest Limited   | a (i)   | -                         | 724.82                    |
| <b>Security Deposits Paid / Refunded Total</b>                                |  |         | -                         | 1,104.82                  |
| <b>Reimbursement of Statutory Liabilities (on behalf of employee)</b>         |  |         |                           |                           |
|   | SRL Limited  | ( e)    | -                         | 2.90                      |
| <b>Reimbursement of Statutory Liabilities (on behalf of employee) Total</b>   |  |         | -                         | 2.90                      |
| <b>Insurance Premium - Health / Travel</b>                                    |  |         |                           |                           |
|   | Religare Health Insurance Company Limited                                | a (i)   | -                         | 0.62                      |
| <b>Insurance Premium - Health / Travel Total</b>                              |  |         | -                         | 0.62                      |
| <b>Advance given for Settlement of Corporate Guarantee</b>                    |  |         |                           |                           |
|   | Religare Capital Markets Limited   | a (i)   | -                         | 1,326.50                  |
| <b>Advance given for Settlement of Corporate Guarantee Total</b>              |  |         | -                         | 1,326.50                  |
| <b>Interest Income on Inter Corporate Loans</b>                               |  |         |                           |                           |
|   | ANR Securities Limited   | ( e)    | -                         | 224.86                    |
|   | Religare Capital Market Limited  | a (i)   | -                         | 24.75                     |
|   | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 2.07                      | 2.47                      |
|   | Ligare Aviation Limited  | ( e)    | -                         | 34.57                     |
|   | Religare Comtrade Limited  | a (ii)  | 14.47                     | 23.70                     |
| <b>Interest Income on Inter Corporate Loans Total</b>                         |  |         | 16.54                     | 310.36                    |
| <b>Notional Income ( As per INDAS)</b>  |  |         |                           |                           |
| (Notional Income on corporate Guarantee)                                      | Religare Broking Limited   | a (i)   | -                         | 3.80                      |
| (Notional Income on corporate Guarantee) Total                                |  |         | -                         | 3.80                      |
| <b>Support Service Income</b>   |  |         |                           |                           |
|   | Religare Capital Markets Limited   | a (i)   | -                         | 9.82                      |
|   | Religare Commodities Limited   | a (ii)  | 36.31                     | 35.58                     |
|   | Religare Comtrade Limited  | a (ii)  | -                         | 3.73                      |
|   | Religare Finvest Limited   | a (i)   | 1,393.82                  | 2,419.61                  |
|   | Religare Health Insurance Company Limited                                | a (i)   | 297.10                    | 320.89                    |



| Nature of Transactions                               | Name of the Related Party  | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|--|--|---------|---------------------------|---------------------------|
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 579.64                    | 891.44                    |
| <b>Support Service Income Total</b>                  |  |         | <b>2,306.87</b>           | 3,681.06                  |
| <b>Rental Income</b>                                 | Religare Commodities Limited   | a (ii)  | -                         | 0.91                      |
|  | Religare Finvest Limited   | a (i)   | -                         | 1.37                      |
|  | Religare Health Insurance Company Limited                                | a (i)   | -                         | 7.10                      |
|  | Religare Housing Development Finance Corporation Limited                 | a (ii)  | -                         | 0.35                      |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | -                         | 20.62                     |
|  | Religare Wealth Management Limited                                       | a (ii)  | -                         | 22.31                     |
| <b>Rental Income Total</b>                           |  |         | -                         | 52.65                     |
| Interest Income on Commercial Papers                 |  |         |                           |                           |
|  | Religare Comtrade Limited  | a (ii)  | -                         | 49.47                     |
| <b>Interest Income on Commercial Papers Total</b>    |  |         | -                         | 49.47                     |
| Interest Income on Debenture (CCD/ NCD)              | Religare Comtrade Limited  | a (ii)  | 342.15                    | 400.83                    |
| <b>Interest Income on Debenture (CCD/ NCD) Total</b> |  |         | <b>342.15</b>             | 400.83                    |
| Allocation of Expenses                               | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 17.03                     | 14.80                     |
|  | Religare Capital Markets Limited   | a (i)   | -                         | 3.38                      |
|  | Religare Commodities Limited   | a (ii)  | 0.01                      | 0.06                      |
|  | Religare Comtrade Limited  | a (ii)  | -                         | 0.01                      |
|  | Religare Finvest Limited   | a (i)   | 327.87                    | 55.52                     |
|  | Religare Health Insurance Company Limited                                | a (i)   | 3.99                      | -                         |
|  | Religare Housing Development Finance Corporation Limited                 | a (ii)  | -                         | 0.01                      |
| <b>Allocation of Expenses Total</b>                  |  |         | <b>348.89</b>             | 73.77                     |
| Rent Expenses  |  | a (i)   |                           |                           |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 0.60                      | 5.23                      |
|  | Religare Finvest Limited   |         | -                         | 19.14                     |
| <b>Rent Expenses Total</b>                           |  |         | <b>0.60</b>               | 24.38                     |
| <b>Purchased of Fixed Asset</b>                      |  |         |                           |                           |
|  | Religare Finvest Limited   | a (i)   | 0.00                      | 0.00                      |
|  |  |         | 0.00                      | 0.00                      |
| <b>Sale of Fixed Asset</b>                           |  |         |                           |                           |
|  | Religare Finvest Limited   | a (i)   | 0.15                      | -                         |
|  |  |         | 0.15                      | -                         |
| <b>Director Sitting Fees</b>                         |  |         |                           |                           |
|  | Mr. Malvinder Mohan Singh  | (d)     | -                         | 2.50                      |
|  | Mr. Shivinder Mohan Singh  | (d)     | -                         | 1.00                      |



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions  | Name of the Related Party  | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|--|---------|---------------------------|---------------------------|
|   | Mr. Vikram Talwar  | (d)     | 14.00                     | -                         |
|   | Ms. Sabina Vaisoha   | (d)     | 14.00                     | -                         |
|   | Mr. Malay Kumar Sinha  | (d)     | 30.40                     | -                         |
|   | Mr. Deepak Sabnani   | (d)     | 1.00                      | -                         |
|   | Mr. R K Shetty   | (d)     | 4.00                      | -                         |
|   | Mr Padam Behal   | (d)     | 1.00                      | -                         |
|   | Mr. Sushil Chandra Tripathi  | (d)     | 19.20                     | -                         |
|   | Mrs. Vijayalakshmi Rajaram Iyer  | (d)     | 29.40                     | -                         |
|   | Ms. Rashmi Saluja  | (d)     | 5.20                      | -                         |
| <b>Director Sitting Fees Total</b>  |  |         | <b>118.20</b>             | 3.50                      |
| <b>Interest Expense on ICD's taken</b>                                    |  |         |                           |                           |
|   | Religare Comtrade Limited  | a (ii)  | 1,611.75                  | 1,052.86                  |
|   | Religare Finvest Limited   | a (i)   | 2,021.70                  | 1,286.12                  |
| <b>Interest Expense on ICD's taken total</b>                              |  |         | <b>3,633.45</b>           | 2,338.97                  |
| <b>Amortised Discount of Commercial Paper</b>                             |  |         |                           |                           |
|   | Religare Finvest Limited   | a (i)   | -                         | 468.02                    |
|   | Religare Comtrade Limited  | a (ii)  | -                         | 454.52                    |
| <b>Amortised Discount of Commerical Paper Total</b>                       |  |         | -                         | 922.54                    |
| <b>Expenses Reimbursement by Other Companies / (Recovery of Expenses)</b> |  |         |                           |                           |
|   | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 26.13                     | 40.18                     |
|   | Religare Finvest Limited   | a (i)   | 131.09                    | 46.99                     |
|   | Religare Commodities Limited   | a (ii)  | 1.21                      | 0.81                      |
|   | Religare Capital Markets Limited   | a (i)   | -                         | 0.63                      |
|   | Religare Housing Development Finance Corporation Limited                 | a (ii)  | 1.07                      | 1.95                      |
|   | Religare Health Insurance Company Limited                                | a (i)   | 45.55                     | 18.35                     |
|   | SRL Limited (Super Religare Laboratories Ltd)                            | ( e)    | -                         | 1.36                      |
|   | Religare Credit Advisors Private Limited                                 | a (i)   | -                         | 0.05                      |
|   | Religare Comtrade Limited  | a (ii)  | 0.01                      | 0.03                      |
|   | RHC Holding Private Limited  | ( e)    | -                         | (203.49)                  |
|   | Dion Global Solutions Limited  | ( e)    | -                         | (34.25)                   |
| <b>Expenses Reimbursement by Other Companies Total</b>                    |  |         | <b>205.05</b>             | (127.39)                  |
| <b>Depository Expenses</b>  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 0.04                      | 0.08                      |
| <b>Depository Expenses Total</b>  |  |         | <b>0.04</b>               | 0.08                      |
| <b>Remuneration to Key Managerial Personnel</b>                           | Mr. Maninder Singh   | (d)     | -                         | 204.82                    |
|   | Mr. Sunil Godhwani   | (d)     | -                         | 65.00                     |
|   | Mr. Shachindra Nath  | (d)     | -                         | -                         |



| Nature of Transactions                                | Name of the Related Party                          | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|--|---------|---------------------------|---------------------------|
|   | Mr. Anil Saxena                                    | (d)     | -                         | 31.30                     |
|   | Mr. Subramanian Lakshminarayanan                   | (d)     | -                         | 79.95                     |
|   | Mr. Krishnan Subramanian                           | (d)     | 75.00                     | 35.17                     |
|   | Mr. Francis Danial Lee                             | (d)     | -                         | 4.36                      |
|   | Mr. Milind Patel                                   | (d)     | 295.24                    | -                         |
| <b>Remuneration to Key Managerial Personnel Total</b> |  |         | <b>370.24</b>             | 420.59                    |
| <b>Contribution to Gratuity Trust</b>                 |  |         |                           |                           |
|   | Religare Enterprises Limited Group -Gratuity Trust |         | 22.62                     | 46.79                     |
|   |  |         | <b>22.62</b>              | 46.79                     |

**Outstanding Balances****(Amount in ₹ lakhs, unless otherwise stated)**

| Nature of Transactions  | Name of the Related Party                     | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---------|---------------------------|---------------------------|---------------------------|
| <b>Payable/ Liabilities</b>   |   |         |                           |                           |                           |
| Inter Corporate Loans   |   |         |                           |                           |                           |
|   | Religare Comtrade Limited                     | a (ii)  | 9,496.93                  | 26,268.04                 | -                         |
|   | Religare Finvest Limited                      | a (i)   | 18,550.00                 | 18,550.00                 | 675.46                    |
| <b>Unsecured Loans Total</b>  |   |         | <b>28,046.93</b>          | 44,818.04                 | 675.46                    |
| <b>Commercial Papers (Net)</b>  |   |         |                           |                           |                           |
|   | Religare Finvest Limited                      | a (i)   | -                         | -                         | 6,356.25                  |
|   | Religare Comtrade Limited                     | a (i)   | -                         | -                         | 2,733.95                  |
|   | Religare Commodities Limited                  | a (i)   | -                         | -                         | 196.62                    |
|   |   |         | -                         | -                         | 9,286.82                  |
| <b>Non Convertible Debentures</b>   |   |         |                           |                           |                           |
|   | Religare Global Asset Management Inc. (Bonds) | a (i)   | -                         | -                         | 3,821.59                  |
|   | Religare Commodities Limited                  | a (i)   | -                         | -                         | 1,000.00                  |
|   |   |         | -                         | -                         | 4,821.59                  |
| <b>Redemption of Non convertible Debentures Bonds (Including exchange impact)</b> | Religare Global Asset Management Inc. (Bonds) |         | -                         | -                         | 3,850.11                  |
|   |   |         | -                         | -                         | 3,850.11                  |
| <b>Interest on Non Convertible Debentures</b>                                     |   |         |                           |                           |                           |
|   | Religare Commodities Limited                  | a (i)   | -                         | -                         | 692.12                    |
|   |   |         | -                         | -                         | 692.12                    |
| Interest on Inter Corporate Loans   |   |         |                           |                           |                           |
|   | Religare Comtrade Limited                     | a (i)   | 1,606.86                  | 646.62                    | -                         |
|   | Religare Finvest Limited                      | a (i)   | 2,354.68                  | 535.15                    | -                         |
| <b>Interest on Inter Corporate Loans Total</b>                                    |   |         | <b>3,961.54</b>           | 1,181.78                  | -                         |
| <b>Security Deposit Payable</b>   | Religare Capital Markets Limited              | a (i)   | 2.30                      | 2.30                      | 2.30                      |





# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

| Nature of Transactions                   | Name of the Related Party  | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|--|--|---------|---------------------------|---------------------------|---------------------------|
|  | Religare Commodities Limited   | a (i)   | 621.65                    | 621.65                    | 645.38                    |
|  | Religare Finvest Limited   | a (i)   | 1,178.53                  | 1,178.53                  | 1,903.34                  |
| <b>Security Deposit Payable Total</b>    |  |         | <b>1,802.48</b>           | 1,802.48                  | 2,551.02                  |
| <b>Trade Payables</b>                    |  |         |                           |                           |                           |
|  | Religare Finvest Limited   | a (i)   | 211.17                    | 191.94                    | 0.06                      |
| <b>Total Trade Payable</b>               |  |         | <b>211.17</b>             | 191.94                    | 0.06                      |
| <b>Other Payables</b>                    |  |         |                           |                           |                           |
|  | Mr. Shivinder Mohan Singh  | (d)     | -                         | -                         | 0.25                      |
|  | Ligare Aviation Limited  | ( e)    | -                         | -                         | 69.12                     |
|  | Finserve Shared Services Limited   | ( e)    | -                         | -                         | 118.71                    |
|  | Religare Capital Markets Limited   | a (i)   | -                         | -                         | 1.56                      |
|  | Mr. Surath Singh   | (d)     | -                         | -                         | 0.31                      |
| <b>Other Payables Total</b>              |  |         | <b>422.33</b>             | 383.89                    | 190.09                    |
| <b>Other Financial Liability</b>         |  |         |                           |                           |                           |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | 1,041.22                  | 4,854.28                  | -                         |
|  |  |         | <b>1,041.22</b>           | 4,854.28                  | -                         |
| <b>Receivable</b>                        |  |         |                           |                           |                           |
| <b>Investments (Debentures)</b>          |  |         |                           |                           |                           |
|  | Religare Comtrade Limited (CCD)  | a (ii)  | -                         | 2,500.00                  | -                         |
|  | Religare Comtrade Limited (NCD)  | a (ii)  | -                         | 2,000.00                  | -                         |
| <b>Investments (Debentures) Total</b>    |  |         | <b>-</b>                  | 4,500.00                  |                           |
| <b>Inter Corporate Deposits (ICD)</b>    |  |         |                           |                           |                           |
| <b>Loan Receivable</b>                   | Ligare Aviation Limited  |         | -                         | -                         | 382.37                    |
|  | ANR Securities Private Limited   | ( e)    | -                         | -                         | 7,100.00                  |
|  | Religare Arts Initiative Limited   | a (i)   | -                         | -                         | -                         |
|  | Cerestra Advisors Limited  | a (ii)  | -                         | -                         | 1,242.07                  |
|  | Religare Capital Markets Limited   | a (i)   | 225.00                    | 225.00                    | 225.00                    |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | -                         | 35.00                     | -                         |
|  | Religare Comtrade Limited  | a (ii)  | -                         | 269.00                    | 41.56                     |
|  | Religare Art Fund Pratham  | a (ii)  | -                         | -                         | 1.72                      |
| <b>Inter Corporate Loans (ICD) Total</b> |  |         | <b>225.00</b>             | 529.00                    | 8,992.73                  |
| <b>Interest Receivable</b>               |  |         |                           |                           |                           |
|  | Religare Capital Market Limited  | a (i)   | 15.26                     | 15.26                     | -                         |
|  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (ii)  | -                         | 2.22                      | -                         |
|  | ANR Securities Private Limited   | a (ii)  | -                         | -                         | 127.62                    |



| Nature of Transactions   | Name of the Related Party  | RP Type | Year Ended March 31, 2019 | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|--|--|---------|---------------------------|---------------------------|---------------------------|
|  | Ligare Aviation Limited  | a (i)   | -                         | -                         | 30.80                     |
|  | Cerestra Advisors Limited  | a (ii)  | -                         | -                         | 94.32                     |
|  | Religare Comtrade Limited  | a (ii)  | -                         | 90.04                     | 54.10                     |
| <b>Interest Receivable Total</b>                                 |  |         | <b>15.26</b>              | 107.52                    | 306.84                    |
| Advance given for Settlement of Corporate Guarantee              |  |         |                           |                           |                           |
|  | Religare Capital Market Limited  | a (i)   | <b>1,326.50</b>           | 1,326.50                  | -                         |
| <b>Advance given for Settlement of Corporate Guarantee Total</b> |  |         | <b>1,326.50</b>           | 1,326.50                  | -                         |
| Other Receivables  | Religare Broking Limited (formerly known as Religare Securities Limited) | a (i)   | <b>273.48</b>             | 154.18                    | -                         |
|  | Religare Finvest Limited   |         | -                         | -                         | 173.38                    |
|  | Religare Commodities Limited   | a (ii)  | <b>21.51</b>              | 10.96                     | 25.78                     |
|  | Religare Comtrade Limited  | a (ii)  | <b>10.35</b>              | 10.34                     | 8.87                      |
|  | Religare Advisors Limited (Formerly Religare Wealth Management Limited)  | a (ii)  | <b>29.95</b>              | 31.14                     | 14.13                     |
|  | Religare Capital Markets Limited   | a (i)   | <b>312.43</b>             | 312.81                    | 296.23                    |
|  | Religare Health Insurance Company Limited                                | a (i)   | <b>47.33</b>              | 31.40                     | 87.42                     |
|  | Religare Housing Development Finance Corporation Limited                 | a (i)   | <b>1.15</b>               | -                         | 7.57                      |
|  | Dion Global Solutions Limited  | ( e)    | -                         | -                         | 16.91                     |
|  | Cerestra Advisors Private Limited  | a (i)   | -                         | -                         | 18.83                     |
|  | Finserve Shared Services Limited   | ( e)    | -                         | -                         | 38.23                     |
| <b>Receivables Total</b>   |  |         | <b>696.20</b>             | 550.82                    | 687.35                    |

- 1) All outstanding Equity and Preference Capital contributions are not shown. Movements during the year are disclosed above as transactions during the year.
- 2)\* During the quarter Income tax refund of ₹ 1,375.75 Lakhs received by RBL the same was adjusted against liability payable on account of transfer under the Scheme of Arrangement.
- 3)\*\* During the period RBL paid (on behalf of REL) to RCTL of ₹ 1,562.70 lakhs (including Interest of ₹ 72.70 Lakhs). The same is shown as liability payable to RBL in books of account.
- 4) All Outstanding stated above are gross of provisions.
- 5) All income and expense do not include applicable indirect taxes.



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

### 44. Other Notes

- a. (i) During the financial year ended March 31, 2015, the Company received the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") vide Certificate No. N-14.03222 dated June 03, 2014 issued by the RBI under the CIC Directions. By virtue of the CIC registration as aforesaid, the provisions of net owned fund requirements under section 45-IA (1)(b) of the RBI Act, 1934 and provisions related to "Asset Income Pattern", "Requirement to Capital Adequacy (CRAR)" and "Concentration of Credit/Investment" as applicable for NBFCs under NBFC Master Directions 2016 shall not apply to the company, subject to the compliance of conditions specified in the CIC Directions.

| (ii) Core Investment Company (CIC) Compliance Ratios:   | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| (a) Investment and Loans to group companies as a proportion to Net Assets (%)   | 98.01%         | 98.70%         |
| (b) Investment in Equity Shares and Compulsory Convertible Instruments of group companies as a proportion of Net Assets (%) | 98.01%         | 98.49%         |
| (c) Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weightage Assets] (%)   | 61.10%         | 67.30%         |
| (d) Leverage Ratios (Times) [Outside liabilities / Adjusted Net worth] (Times)  | 0.33           | 0.28           |

#### Disclaimer:

- (a) Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for discharge of liability by the company.
- (b) Neither is there any provision in law to keep, nor does the company keep any part of the deposits with the Reserve Bank and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts any responsibility nor guarantee for the payment of the public funds to any person/body corporate.

### b. I. Capital to Risk Weighted Assets Ratio (CRAR)

As mentioned in Para 33 a(i), requirement of maintaining CRAR is not applicable on the company being a CIC.

| Items |                              | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|-------|------------------------------|------------------------------|------------------------------|
| (i)   | CRAR (%)                     | Refer Note 44 (a)(i)         | Refer Note 44 (a)(i)         |
| (ii)  | CRAR - (Tier I Capital (%))  | Refer Note 44 (a)(i)         | Refer Note 44 (a)(i)         |
| (iii) | CRAR - (Tier II Capital (%)) | Refer Note 44 (a)(i)         | Refer Note 44 (a)(i)         |

### II. Exposure to Real Estate Sector

| Category |   | Year Ended<br>March 31, 2019 | Year Ended<br>March 31, 2018 |
|----------|---|------------------------------|------------------------------|
| (a)      | <b>Direct Exposures</b>   |                              |                              |
|          | (i) Residential Mortgages:-   |                              |                              |
|          | (a) Individuals housing loans upto ₹15 lakhs  | -                            | -                            |
|          | (b) Individuals housing loans more than ₹15 lakhs   | -                            | -                            |
|          | (ii) Commercial Real Estate   | -                            | -                            |
|          | (iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures:-                   | -                            | -                            |
|          | (a) Residential,  |                              |                              |
|          | <b>Total</b>  | -                            | -                            |
| (b)      | <b>Indirect Exposures</b>   |                              |                              |
|          | Fund based and non fund based exposures on National Housing Bank(NHB) and Housing Finance Companies(HFCs) | -                            | -                            |



(Amount in ₹ lakhs, unless otherwise stated)

## III. Maturity pattern of certain items of assets and liabilities (At Book Value)

| Particulars                     | 1 to 30 days            | Over 1 month to 2 month | Over 2 month to 3 months | Over 3 Months upto 6 months | Total     |
|---------------------------------|-------------------------|-------------------------|--------------------------|-----------------------------|-----------|
| <b>Liabilities</b>              |                         |                         |                          |                             |           |
| Borrowing from Banks            | -                       | -                       | -                        | -                           | -         |
| Market Borrowings               |                         | -                       | 30,597.59                | -                           | 30,597.59 |
| <b>Assets</b>                   |                         |                         |                          |                             | -         |
| Advances                        |                         |                         |                          |                             | -         |
| Investments (net of provisions) | -                       | -                       | -                        | -                           | -         |
|                                 |                         |                         |                          |                             |           |
| Particulars                     | Over 6 months to 1 year | 1 Year to 3 years       | Over 3 years to 5 years  | Over 5 years                | Total     |
| <b>Liabilities</b>              |                         |                         |                          |                             |           |
| Borrowing from Banks            | -                       | -                       | -                        | -                           | -         |
| Market Borrowings               | -                       | -                       | 7,461.14                 | -                           | 7,461     |
| <b>Assets</b>                   |                         |                         |                          |                             | -         |
| Advances                        | -                       | -                       | -                        | -                           | -         |
| Investments (net of provisions) | 1,026.84                | -                       | -                        | 210,182.57                  | 211,209   |

## c. Disclosures of details as required in terms of Paragraph 21 of CIC Direction:

| Liabilities:  |  | Amount Outstanding | Amount Overdue     |
|---|--|--------------------|--------------------|
| 1) Loans and Advances availed by the CIC inclusive of interest accrued thereon but not paid:            |  |                    |                    |
| a)  | Debentures : Secured*                                      | -                  | -                  |
|   | : Unsecured*   | -                  | -                  |
|   | (other than falling within the meaning of Public deposits) | -                  | -                  |
| b)  | Deferred Credits   | -                  | -                  |
| c)  | Term Loans   | -                  | -                  |
| d)  | Inter-Corporate loans and borrowings                       | 30,597.59          | 25,627.93          |
| e)  | Commercial Paper   | -                  | -                  |
| f)  | Other Loans (unsecured finance lease)                      | -                  | -                  |
|   | a) Working Capital Loan from Banks                         | -                  | -                  |
|   | b) Interest accrued and not due on Unsecured Loans         | 245.52             | -                  |
| Assets:   |  |                    | Amount Outstanding |
| 2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below): |  |                    |                    |
| a)  | Secured  |                    | -                  |
| b)  | Unsecured  |                    | 1,579.34           |
| 3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities  |  |                    |                    |
| i)  | Lease assets including lease rentals under sundry debtors: |                    |                    |
|   | a) Financial Lease   |                    | -                  |
|   | b) Operating Lease   |                    |                    |



## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

|      |  |   |
|------|--|---|
| ii)  | Stock on hire including hire charges under Sundry Debtors: | - |
|      | a) Assets on hire  | - |
|      | b) Repossessed Assets                                      | - |
| iii) | Hypothecation loans counting towards AFC activities        |   |
|      | a) Loans where assets have been repossessed                | - |
|      | b) Loans other than (a) above                              | - |

#### 4) Break-up of Investments: (Amount in ₹ lakhs, unless otherwise stated)

|   |  |            |
|---|--|------------|
|   | <b>Current Investments:</b>                    |            |
| 1 | Quoted:  |            |
|   | i) Shares: a) Equity                           | -          |
|   | b) Preference                                  | -          |
|   | ii) Debentures and Bonds                       | -          |
|   | iii) Units of mutual funds                     | -          |
|   | iv) Government Securities                      | -          |
|   | v) Others                                      | -          |
| 2 | Unquoted:                                      |            |
|   | i) Shares: a) Equity                           | -          |
|   | b) Preference                                  | -          |
|   | ii) Debentures and Bonds                       | -          |
|   | iii) Units of mutual funds                     | -          |
|   | iv) Government Securities                      | -          |
|   | v) Others                                      | -          |
|   | <b>Long Term Investments (at gross value):</b> |            |
| 1 | Quoted:  |            |
|   | i) Shares: a) Equity                           | -          |
|   | b) Preference                                  | -          |
|   | ii) Debentures and Bonds                       | -          |
|   | iii) Units of mutual funds                     | -          |
|   | iv) Government Securities                      | -          |
|   | v) Others                                      | -          |
| 2 | Unquoted:                                      |            |
|   | i) Shares: a) Equity *                         | 210,182.57 |
|   | b) Preference**                                | -          |
|   | ii) Debentures and Bonds                       | -          |
|   | iii) Units of mutual funds                     | -          |
|   | iv) Government Securities                      | -          |
|   | v) Others                                      | 1,026.84   |

\* Including Partly paid up Equity shares of for ₹ 38,555.00 Lakhs (Face Value of ₹ 15 each out of which ₹10 is paid up)



(Amount in ₹ lakhs, unless otherwise stated)

| 5) Borrower group-wise classification of assets financed as in (2) and (3) above: |                                |                          |                 |                 |
|---|--------------------------------|--------------------------|-----------------|-----------------|
| Category  |                                | Amount net of Provisions |                 |                 |
|   |                                | Secured                  | Unsecured       | Total           |
| 1   | Related Parties                |                          |                 |                 |
|   | a) Subsidiaries                | -                        | -               | -               |
|   | b) Companies in the same group | -                        | -               | -               |
|   | c) Other related parties       | -                        | -               | -               |
| 2   | Other than related parties     | -                        | 1,579.34        | 1,579.34        |
|   | <b>Total</b>                   | -                        | <b>1,579.34</b> | <b>1,579.34</b> |

| 6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): |                                 |   |                                |
|---|---------------------------------|---|--------------------------------|
| Category  |                                 | Market Values/Break-up or Fair value or NAV | Book Value (Net of Provisions) |
| 1   | Related Parties                 |   |                                |
|   | (a) Subsidiaries                | 229,355.17                                  | 272,071.95                     |
|   | (b) Companies in the same group | 44.49                                       | 350.00                         |
|   | (c) Other related parties       |   |                                |
| 2   | Other than related parties      | 13,844.38                                   | 5,596.58                       |
|   | <b>Total</b>                    | <b>243,244.04</b>                           | <b>278,018.52</b>              |

| 7) Other information |   |   |
|----------------------|---|---|
|                      | Particulars                             |   |
| (i)                  | Gross Non-Performing Assets             |   |
|                      | (a) Related parties                     | - |
|                      | (b) Other than related parties          | - |
| (ii)                 | Net Non-Performing Assets               |   |
|                      | (a) Related parties                     | - |
|                      | (b) Other than related parties          | - |
| (iii)                | Assets acquired in satisfaction of debt | - |

**45. Joint Venture as required by IND AS-112 - "Disclosure of Interest in Other Entities" are given below:**

| Name                                       | Description of Interest | % of Interest |         |
|--|-------------------------|---------------|---------|
|  |                         | Mar -19       | Mar -18 |
| IBOF Investment Management Private Limited | Equity Shareholding     | 50.00%        | 50.00%  |

\*Due to long term restrictions, company excluded from consolidation



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2019

(Amount in ₹ lakhs, unless otherwise stated)

### Company's Interest in Joint Ventures

| Particulars            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------|-------------------------|-------------------------|
| Assets                 | 38.77                   | 55.66                   |
| Liabilities            | 3.26                    | 11.18                   |
| Revenue                | 2.23                    | 63.72                   |
| Depreciation           | 0.25                    | 340.06                  |
| Other Expenses         | 9.73                    | 74.64                   |
| Capital Commitments    | -                       | -                       |
| Contingent Liabilities | -                       | -                       |

### 46. Loans and advances in the nature of loans to subsidiaries and associates

| Particulars   | As at<br>March 31, 2019 |   | As at<br>March 31, 2018 |  |
|---|-------------------------|---|-------------------------|--|
| Name of Subsidiary/ Associates:                     | Outstanding<br>Balance  | Maximum amount<br>outstanding at<br>any time during<br>the year | Outstanding<br>Balance  | Maximum<br>amount<br>outstanding at<br>any time during<br>the year |
| Religare Comtrade Limited                           | -                       | 269.00  | 269.00                  | 369.38   |
| Religare Capital Markets Limited [refer note 47(h)] | 1,553.42                | 1,553.42  | 1,553.25                | 1,886.70   |
| Religare Broking Limited                            | -                       | 35.00   | 35.00                   | 535.00   |

### 47. Other Notes

- Classification of Loans and Advances and provision for Non-Performing Assets/ Provision for diminution of Investments Other than Long Term has been made in accordance with the NBFC Directions after considering subsequent recoveries and realizable value of investments respectively. Provision for Investment is made in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The classification of loans into standard, sub-standard and loss assets and investments have been disclosed at gross value and the corresponding provision against non-performing assets/ investments has been included under provisions in accordance with NBFC Directions.
- There are no transactions during the year with Micro, Small and Medium enterprises and as such there is no balance outstanding as at March 31, 2019.
- The provision for Income Tax for year ended March 31, 2019 has been made on an estimated basis in accordance with the provision of Income Tax Act, 1961 of India. No provision has been made for Corporate Dividend Tax in view of Exemption u/s 115-O of Income Tax Act, 1961.
- On the basis of the information and records available, there is no balance outstanding with any of micro enterprises and small enterprises as on March 31, 2019. Further, during the year no interest has been paid or payable under the terms of the said Act.
- During the year ended March 31, 2019, the company received notice under Form 3 of the IBC Code, 2016 to the tune of ₹ 125 Crores approx. The said notice refer to the agreement allegedly executed/ signed by ex-chairman of company with M/s Loancore Servicing Solutions Pvt Ltd. However, the company has no such agreement in its records and neither it has been found in any of the minutes of Board meeting sanctioning the execution of said agreement. The Maintability of the agreement is questionable as per the Company.
- In the matter of on going investigation of the Company initiated by SEBI in February 2018, SEBI has passed an interim ex-parte order dated March 14, 2019 read with the Corrigendum dated April 18, 2019. Vide the said order, SEBI has directed as below:
  - REL and Religare Finvest Limited ("RFL"), subsidiary company to initiate steps to recall loans amounting to ₹ 231,509 Lakhs extended, directly or indirectly, from RFL to various entities / persons as mentioned in the Order, along with interest within 3 months.





- Pending completion of investigation and till further orders, the said entities / persons, shall not dispose or alienate any of their assets or divert funds except for meeting expenses of day to day business operations, without prior permission of SEBI.
  - Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh shall not associate themselves with the affairs of the Company and RFL in any manner till further directions from SEBI.”
- g) In the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016), the interim application having I.A. No. 16727/2018 has been filed by REL disputing its liability as a garnishee came up for hearing on December 7, 2018. REL has not redeemed 1,500,000 preference shares due for redemption on October 31, 2018 (Redemption value of ₹ 4,190.28 lakhs )and disputed the liability stating the transaction to be an illegal one.
- h) The Company although has equity share in RCML, however in the present scenario controlling through voting rights is not there with the Company. Beside this , in terms of the tripartite agreement between the Company, Religare Capital Markets Limited (“RCML”, a subsidiary of the Company) and RHC Holding Private Limited (“RHCPL”), severe long term restrictions and significant restrictive covenants on major decision making at RCML have been imposed by the holder of the preference shares. The Company has already provided fully for the entire investment made by it into RCML in previous years.
- i) In May 2019, ICRA and India Ratings and Research (IND RA) have downgraded the credit rating of RFL for various Long Term Bank Loans and Bank Limits to category D. Further, IND RA has revised the credit ratings of RFL for its Lower Tier 2 sub-debt facility from IND B+/RWN to IND C. The rating revision follows the recent delays in debt servicing by RFL. While RFL had sufficient cash balances of ₹ 130 crore as on April 30, 2019 as compared with the principal repayment due of ₹ 63.68 crore for the month, it did not repay the principal due for the month even though their proposed resolution plan is yet to be approved and implemented by the lenders. Given the mismatches in the ALM, RFL had earlier proposed to implement a debt resolution plan with its lenders and the same was discussed at the Joint Lenders Meeting (JLM) on March 07, 2019, wherein April 1, 2019 was decided to be the Reference Date for Holding On operations. As a part of the resolution plan, the Company had proposed to service only the interest on its borrowings and not the Principal due.
- j) In the matter of Settlement Application filed by the Company with SEBI for the show cause notice dated July 05, 2018 for delay in filing of disclosures in terms of regulation 7(2)(a) of PIT Regulations, 2015 w.r.t. dealing in securities of the Company by Mr. Sunil Godhwani, the settlement terms as requested by the Company have been approved and SEBI vide Settlement Order dated January 17, 2019 and accordingly disposed off the Adjudication Proceedings initiated vide above mentioned show cause notice. The Company has paid ₹ 2 Lakhs as consent fees.
- k) Serious Fraud and Investigations Office (“SFIO”) The Company has received a letter dated February 28, 2018 from Serious Fraud Investigation Office (“SFIO”), Ministry of Corporate Affairs (“MCA”), Government of India, intimating the Company that the MCA has ordered an investigation into the affairs of the Company by the SFIO. The investigation is going on as on date and information sought by SFIO for Company and its subsidiaries through various communications is being provided.
- l) The Board of Directors of the Company in its meeting held on May 23, 2019, approved, subject to requisite approvals, the draft Scheme of Amalgamation (“Scheme”) that is designed to simplify the Company’s corporate structure. In terms of the Scheme, two (2) directly / indirect wholly owned subsidiaries of Religare Enterprises Limited namely, Religare Comtrade Limited and Religare Insurance Limited will merge with/into Religare Enterprises Limited subject to terms and conditions as provided in the Scheme. RCTL has net loss of ₹ 1,961.09 Lakhs during the year ended March 31, 2019 and Companies liabilities exceeds the total assets by ₹ 10,118.71 Lakhs. However, Religare Enterprises Limited (Holding Company) has given letter of comfort for the payment of liabilities and same has also been considered in the financials of the Company.
- m) In November 2018, India Ratings & Research Private Limited has revised the ratings of the Company with respect to Short Term Debt (Commercial Papers), from “IND A3/RWN” to “INDA4+/RWN” and withdrawn the earlier rating of “IND BBB-/RWN” w.r.t. Non-Convertible Debentures (NCDs) (paid in full) Further, in January 2019, existing Long Term Issuer Rating of (“IND BB-”) of the Company which was on Rating Watch Negative and Short Term Debt (Commercial Papers) rating of “Ind A4+/RWN” for an amount of ₹ 5,000 Lakhs were withdrawn as there were no rated debt instrument outstanding against said ratings.
- n) The Board of Directors had appointed Mr. Subramanian Lakshminarayanan and Mr. Francis Daniel Lee as Executive Chairman and Executive Director on November 14, 2017 and November 17, 2017 respectively subject to approval of shareholders. They ceased to be Executive Directors of the Company w.e.f. January 22, 2018 and January 24, 2018



## Notes Forming Part of the Financial Statements

### For the year ended March 31, 2019

respectively. The shareholders of the Company at the Annual General Meeting held on September 20, 2018 didn't accord approval for payment of remuneration to above said directors for their tenure as Executive Directors. Accordingly, U/s 197(9) of the Companies Act, 2013, the Company has sent notices for refund the remuneration of ₹ 82.61 Lakhs & ₹ 4.36 Lakhs paid to them respectively. They have not refunded the amount till date. The Company is exploring all the legal options to recover the amount. The same will be accounted on realisation.

#### **o) Operating Cycle**

An asset or a liability is classified as current when it satisfies any of the following criteria:

1. it is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle; or
2. it is held primarily for the purpose of being traded; or
3. it is expected to be realized / due to be settled within twelve months after the reporting date; or
4. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
5. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

#### **48. Corporate Social Responsibility**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendation of the Committee, the Board has approved a Corporate Social Responsibility ('CSR') policy and the same has been uploaded on the website of the Company [www.religare.com](http://www.religare.com). CSR Policy contains the CSR activities which can be carried out by the Company, governance structure, implementation process, etc. As the Average Net Profits of the Company as per last three Audited Financial Year as per Section 198 of the Companies Act, 2013 were negative, no amount was required to be spent on CSR activities during the financial year 2018-19.

#### **49. Previous Year Figures**

Previous year's figures have been regrouped, re-arranged and reclassified wherever necessary to conform to the current year classification as per Ind AS.

The accompanying notes are an integral part of these Financial Statements

#### **Signature to Note No 1 to 49 forming part of Financial Statements**

**For S.S. Kothari Mehta & Company**  
Firm Registration No. 000756N  
Chartered Accountants

Sd/-  
**Naveen Aggarwal**  
Partner  
Membership No. 094380

Sd/-  
**Vijayalakshmi Rajaram Iyer**  
Director  
DIN- 05242960

Sd/-  
**Milind Narendra Patel**  
Group - CEO

Place : New Delhi  
Date : May 23, 2019

Place : New Delhi  
Date : May 23, 2019

**For and on behalf of the Board of Directors**

Sd/-  
**Sabina Vaisoha**  
Director  
DIN-00207306

Sd/-  
**Gurvinder Singh Juneja**  
CFO

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122

[illegible]

## NOTES

# Values that steer us ahead

## **Passion**

To demonstrate tremendous energy and enthusiasm at all times and act entrepreneurially to achieve organizational objective.



## **Innovation**

To constantly challenge the status quo and to look beyond mundane ways of working and think out of the box.



## **Ambition**

To think big: Aspire to achieve seemingly impossible and to set highest standards of performance.



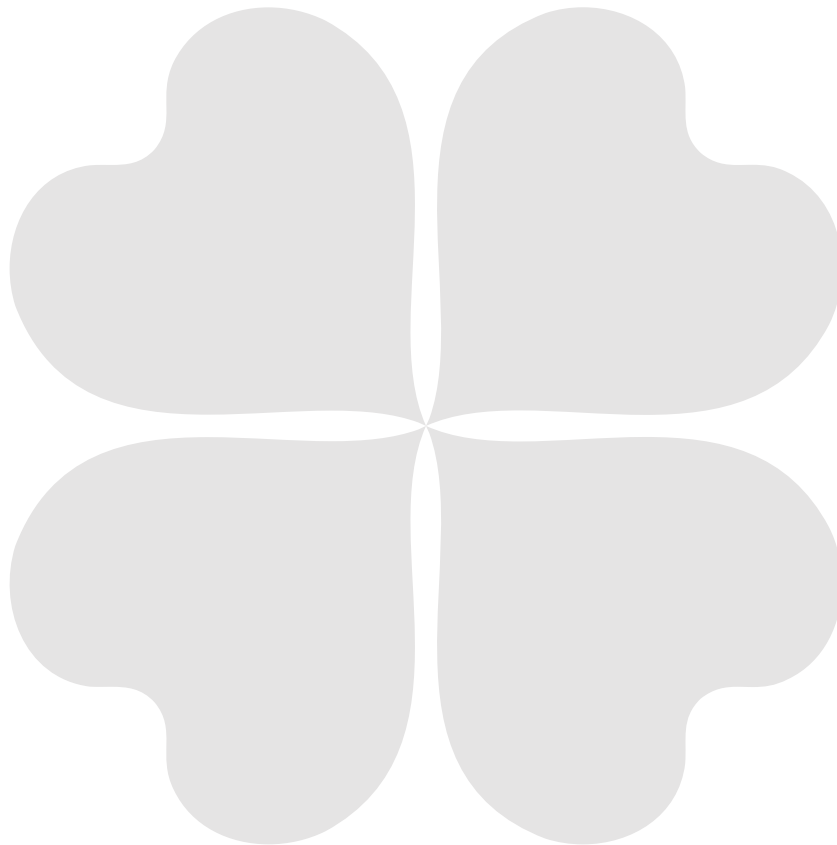
## **Diligence**

To make constant and earnest efforts to accomplish whatever is undertaken and to adhere to defined processes and systems.



## **Team Work**

To build relationships to ensure collaboration and integration across business groups / boundaries and to act to build a positive spirit, morale and co-operation within and across teams, take action to resolve team conflict.



## Religare Enterprises Limited

**CIN No. :** L74899DL1984PLC146935

**Registered Office:**

2nd Floor, Rajlok Building, 24, Nehru Place,  
New Delhi - 110019, India

**Phone No. :** 91-11-46272400

**Corporate Office:**

Tower A, A-3,4,5, Prius Global, Sector 125,  
Noida - 201301, Uttar Pradesh, India

**Phone No. :** 91-120-6791000

**E-mail:** [info@religare.com](mailto:info@religare.com), **Website:** [www.religare.com](http://www.religare.com)