

**November 24, 2020**

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: 36<sup>th</sup> Annual General Meeting of Religare Enterprises Limited (“the Company”)**

Dear Sir(s),

This is in continuation to our earlier announcement dated November 12, 2020 on the captioned subject.

In this regard, please find attached the Notice of the 36<sup>th</sup> Annual General Meeting (“AGM”) of the Company scheduled to be held on Thursday, December 17, 2020 at 04.00 P.M. through video conferencing / other audio visual means, along with the Annual Report for the financial year ended March 31, 2020.

The aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company / KFin Technologies Private Limited, Registrar and Transfer Agents of the Company and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited.

The Notice of the AGM and Annual Report is also being uploaded on the Company’s website and can be accessed at [www.religare.com](http://www.religare.com).

This is for your information and records please.

Thanking you,

Yours truly,

**For Religare Enterprises Limited**

  
**Reena Jayara**  
**Company Secretary**



Encl: as above



## RELIGARE ENTERPRISES LIMITED

**Regd off:** 1<sup>st</sup> Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi – 110001

**CIN:** L74899DL1984PLC146935

**Phone:** +91 – 11 – 4002 1400, **Fax No:** +91 – 11 –4002 1401

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

### NOTICE

Notice is hereby given that the **36<sup>th</sup> Annual General Meeting (“AGM”)** of the members of Religare Enterprises Limited (“**the Company**”) will be held on **Thursday, December 17, 2020 at 4.00 P.M.** IST through Video Conferencing / Other Audio Visual Means (“**VC**” / “**OAVM**”) 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, 2020 including Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date 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, 2020 including Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Siddharth Dinesh Mehta ( DIN: 02665407), who retires by rotation and being eligible, offers himself for re-appointment.

#### **Special Business:**

3. To approve Grant of Options under 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 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of Companies Act, 2013 (**the “Act”**) read with Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules framed thereunder (including any amendments thereto), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI ESOP Regulations”**) (including any amendments thereto), any other applicable law, regulation, policy or guideline, as applicable, the provisions of the Memorandum of Association and Articles of Association of the Company, and the regulations/ guidelines, if any, prescribed by the Reserve Bank of India (**“RBI”**), the Securities and Exchange Board of India (**“SEBI”**) including, without limitation, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **“SEBI Listing Regulations”**), and all other concerned and relevant statutory, governmental authorities or departments, institutions or bodies in this regard (collectively, the **“Appropriate Authorities”**) and the listing agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited (collectively, the **“Stock Exchanges”**) and subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any



of them while granting such approvals, consents, sanctions and permissions as may be necessary or which may be agreed, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘**Board**’, which term shall include the Nomination and Remuneration Committee constituted / re-constituted by the Board or any other committee which the Board may constitute to act as the ‘Compensation Committee’ under the SEBI ESOP Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to offer and grant from time to time such number of Options in one or more tranches under ‘**Religare Enterprises Limited Employee Stock Option Plan 2019 (“REL ESOP 2019 / Scheme”)**, exercisable into equal number of Equity Shares of face value of Rs. 10/- each fully paid up as per terms of REL ESOP 2019, which may exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option to the following permanent employee of the Company in addition to the options already granted:

Name and Designation of Eligible Employee	Number of Options to be granted
Dr. Rashmi Saluja, Executive Chairperson of the Company	35,00,000 (1.35 % of the current issued share capital of the Company)

**RESOLVED FURTHER THAT** the equity shares so issued and allotted under the REL ESOP 2019 shall in all respects rank *paripassu* inter se and shall also in all respects rank *paripassu* with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the REL ESOP 2019 on the Stock Exchanges, where the equity shares of the Company are listed in compliance with the provisions of the SEBI Listing Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Company shall confirm to the accounting policies prescribed from time to time under the SEBI ESOP Regulations and any other applicable laws and regulations to the extent relevant and applicable to the REL ESOP 2019.

**RESOLVED FURTHER THAT** Board be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation/fillings to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution.”

4. To approve revision of remuneration of Dr. Rashmi Saluja (DIN: 01715298), Executive 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 a **Special Resolution**:

“**RESOLVED THAT** in furtherance to the earlier resolution passed by the members on May 28, 2020 in this regard and pursuant to provisions of Sections 196, 197, 198 of the Companies Act, 2013 (“**Act**”) read with the Rules made thereunder and Schedule V of the said Act and all other applicable provisions of the Act, if any, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) / amendment(s) or re-enactments thereof for the time being in force and the relevant provisions of the Articles of Association of the Company and all other applicable provisions and laws and approval(s) or sanction(s) as may be required, and pursuant to the recommendations of the Nomination and Remuneration



Committee and Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to revise w.e.f. September 02, 2020, the existing remuneration of Dr. Rashmi Saluja (DIN: 01715298), Executive Chairperson of the Company, liable to retire by rotation, by including the following perquisites in addition to the remuneration and perquisites already approved by the shareholders:

- Company paid accommodation with all related incidental expenses, the cost of which shall be all inclusive up to Rs. 10 Lakhs per month

The value of Allowances & Perquisites shall be taken as per Income Tax Rules, wherever applicable. In the absence of any applicable rules, allowances & perquisites shall be valued at actual cost.

**RESOLVED FURTHER THAT** the other existing terms and conditions of appointment / roles and responsibilities of Dr. Rashmi Saluja shall remain unchanged unless otherwise modified by the Board of Directors of the Company (herein after called the “**Board**” which includes Nomination and Remuneration Committee or any other Committee of the Board).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to vary the terms and conditions of appointment and remuneration within the existing limits approved by the shareholders of the Company in accordance with the applicable laws and in the best interest of the Company as and when needed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, matters, deeds, things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or officer as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution or to settle any question, difficulty or doubt that may arise in giving effect to this resolution”.

5. To approve sale, disposal and leasing of assets exceeding 20% of the assets of the material subsidiary (ies) of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 24 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) and the Material Subsidiary Policy of the Company and subject to such other approvals as may be required, consent of the members of the Company be and is hereby accorded to sell, lease or otherwise dispose off by creating charge, lien, mortgage, hypothecation, assignment/ securitization of portfolio/loan receivables and other encumbrances of any nature/kind, whatsoever on the movable and immovable assets / loan portfolio / receivables of Religare Housing Development Finance Corporation Limited (RHDFCL), a material subsidiary of the Company (“**Material Subsidiary**”), including ongoing/ concluded transactions of similar nature, in one or more tranches, in favour of third party(ies) such as bank(s), financial institution(s), non-banking financial company(ies), lender(s) and any other person(s) as may be deemed appropriate, at such time and on such terms and conditions and in such manner as may be necessary from time to time resulting in sale/disposal of assets of RHDFCL / the Material Subsidiary exceeding 20% of the value of the assets of RHDFCL / the Material Subsidiary on an aggregate basis during any financial year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter



constitute to exercise one or more of its powers including the powers conferred hereinabove) be and is hereby authorized to do all such acts, matters, deeds and things and give all such directions as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution, including without limitation, to file all necessary applications with regulatory authorities and to appoint consultants, valuers, legal advisors and all such agencies as may be required for the purposes of effecting the sale as aforesaid, without being required to seek further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all of the aforesaid powers to any committee or employee or person by way of executing necessary power of attorney or authority letter.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

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:** November 11, 2020

### **NOTES:**

1. Considering the extra-ordinary circumstances caused by COVID-19 and in light of social distancing norms, in terms of the General Circulars No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “**MCA Circulars**”) issued by the Ministry of Corporate Affairs (“**MCA**”) read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“**SEBI**”) (hereinafter collectively referred to as “**the Circulars**”), companies are permitted to conduct the Annual General Meeting through Video Conferencing / Other Audio Visual Means (“**VC**” / “**OAVM**”) during the calendar year 2020, without the physical presence of members at a common venue. Hence, in accordance with the Circulars, provisions of the Companies Act, 2013 (“**the Act**”), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), the 36<sup>th</sup> Annual General Meeting (“**AGM / Meeting**”) of the Company is being held through VC /OAVM on Thursday, December 17, 2020 at 4.00 p.m. (IST). The venue of the meeting shall be deemed to be the Registered Office of the Company at 1<sup>st</sup> Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi – 110001.
2. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the the Act will not be available for the AGM.



3. Since the AGM will be held through VC/OAVM facility, the attendance slip, proxy form and Route Map are not annexed to this Notice.
4. The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the businesses under Item No. 3, 4 & 5 of the accompanying Notice is annexed hereto. The Board of Directors of the Company at its meeting held on November 11, 2020 considered that the special businesses under Item No. 3, 4 & 5, being considered unavoidable, be transacted at the AGM of the Company.
5. In terms of provisions of Section 152 of the Act, Mr. Siddharth Dinesh Mehta, Director retires by rotation at the AGM. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
6. Relevant details in respect of Director retiring by rotation at the AGM, in terms of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (“**SS-2**”) issued by the Institute of Company Secretaries of India (“**ICSI**”) are also annexed to this Notice.
7. In pursuance to Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM.
8. The Company has appointed M/s. KFin Technologies Private Limited, Registrars and Transfer Agent (hereinafter called “**KFintech**”), to provide Video Conferencing facility for the AGM and the attendant enablers for conducting of the AGM.
9. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with Annual Report FY 2019-20 have been uploaded on the website of the Company at [www.religare.com](http://www.religare.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of e-voting agency at <https://evoting.kfintech.com>.
10. Pursuant to the provisions of the MCA Circulars on convening AGM through VC / OVAM:
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Facility for appointment of proxy to attend and cast vote on behalf of the member is not available.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
11. The facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM. The meeting may be joined by following the procedure mentioned in the Notice.
12. Members may note that the VC/OAVM facility, provided by KFintech, allows participation of at-least 1,000 Members on a first-come-first-served basis (“**FIFO**”). The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of FIFO principle.



13. The attendance of the Members (members logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. **Remote e-voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (“**SS-2**”) issued by the ICSI and Regulation 44 of the Listing Regulations, as amended and the MCA Circulars, the Company is providing facility to its Members to exercise their right to vote on the resolutions proposed to be passed at the AGM through **remote e-voting** facility being provided by KFintech.
15. **Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting facility which will be made available at the Meeting (“**e-voting**” ), facility to be provided by KFintech.
16. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
17. The institutional members are encouraged to attend and vote at the AGM.
18. 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 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/Registrar and Share Transfer Agent (“**RTA**”). The Company had earlier already sent notices to the shareholders through the RTA for submission of their PAN and Bank Account details for registration / updation.
19. Securities of listed companies would be transferred in dematerialized form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company’s RTA for assistance in this regard.
20. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, December 11, 2020 to Thursday, December 17, 2020 (both days inclusive).
21. 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), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through the e-voting system during the AGM in a fair and transparent manner.
22. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him/her in writing, who shall countersign the same.
23. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.religare.com](http://www.religare.com) and on the website of KFintech at <https://evoting.kfintech.com> immediately after the declaration of result by the Chairperson or any person authorized by him/her in writing and the same shall be communicated to the BSE Limited and the National Stock Exchange of India Limited. The result will also be displayed on the Notice Board of the Company at its Registered Office. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. December 17, 2020.



24. The relevant documents referred to in this Notice and the Explanatory Statement will be available for inspection electronically without any fees by the Members . Members seeking to inspect such documents can send an email to [investorservices@religare.com](mailto:investorservices@religare.com)
25. The copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Act and Certificate from Statutory Auditors of the Company certifying that Company's Employee Stock Options Schemes being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions of the Members of the Company will be available electronically for inspection by the members during the AGM.
26. Members desirous of seeking any information relating to the annexed Annual Audited Financial Statements of the Company for the financial year ended March 31, 2020, are requested to write to the Company on or before Wednesday, December 09, 2020 through email to [investorservices@religare.com](mailto:investorservices@religare.com). Same will be replied by the Company suitably.
27. The Company has designated an exclusive Email ID [investorservices@religare.com](mailto:investorservices@religare.com) for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.
28. 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.

**Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of AGM and e-voting instructions only in electronic form to the registered email addresses of the shareholders whose email addresses are registered with the Company / Depositories. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered/not registered their mail address and mobile number including address and bank details may please contact and validate/update their details with the relevant Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent M/s. KFintech, in case the shares held in physical form.
2. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFintech, by clicking the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).





3. Shareholders may also visit the website of the company [www.religare.com](http://www.religare.com) or the website of the Registrar and Transfer Agent <https://evoting.kfintech.com> for downloading the Annual Report and Notice of the AGM.
4. Alternatively member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of Share Certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

### **Instructions for the Members for attending the AGM through Video Conference:**

1. Member will be provided with a facility to attend the AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> under shareholders/members login by using their remote evoting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned as below.
  - a. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>
  - b. Enter the login credentials (i.e. User ID and password)
  - c. After logging in, click on “Video Conference” option
  - d. Then click on camera icon appearing against the AGM event of the Company to attend the meeting
2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
3. Further, Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members, who would like to express their views or ask questions during the AGM, need to register themselves as a speaker by clicking on the ‘Speaker Registration’ option available on the screen after login at <https://emeetings.kfintech.com>. The Speaker Registration option will be open during December 14, 2020 to December 15, 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time for the AGM. Members may also send their request from their registered email address mentioning their name, DP ID and Client ID number/Folio number and mobile number, to reach the Company’s email address [investorservices@religare.com](mailto:investorservices@religare.com) at-least 48 hours in advance before the start of the AGM i.e. by December 15, 2020.

### **Instructions for members for remote e-Voting**

1. **The Remote e-voting period commences on Monday, December 14, 2020 (9:00 A.M. IST) and ends on Wednesday, December 16, 2020 (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, December 10, 2020** (hereinafter called as the “**Cut-off Date**”), may cast their votes electronically.



2. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

**I) Remote e-voting: Information and Instructions**

**(A)** In case a Member receives an email from Kfintech [for Members whose email IDs are registered with the Company/Depository Participants (s):

1. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
2. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 5713 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin Technologies for e-voting, you can use your existing User ID and password for casting your vote.
3. After entering these details appropriately, click on "LOGIN".
4. You will now reach password change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"
7. 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 "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the Cut-off Date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
8. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
9. 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.
10. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
11. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).



12. 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 authorised representative(s), to the Scrutinizer at email [scrutinizer.maks@gmail.com](mailto:scrutinizer.maks@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “**Corporate Name\_ Event No.**”

**(B) In case of a Member whose email IDs are not registered /updated with the Company/Depository Participants (s):**

1. Members holding shares in physical mode, who have not registered /updated their email addresses are requested to register / update the same with the with the Company’s Registrar and Share Transfer Agent, KFintech, by clicking the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) . Alternatively member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of Share Certificate in case of physical folio.
2. Members holding shares in dematerialized mode who have not registered /updated their email addresses with their Depository Participants are requested to register / update their email addresses with the Depository Participants with whom they maintain their demat accounts.
3. After due verification, KFintech will forward your login credentials to your registered email address.
4. Follow all the instructions at Sr. No. 1 to 12 as mentioned in I.(A). above, to cast your vote.

**Instructions for members for e-Voting during the AGM session:**

1. Only those Members/ shareholders, who will be present in the AGM through Video Conference facility and have not casted their vote through remote e-voting are eligible to vote through e-voting during the AGM.
2. However, members who have voted through remote e-voting will be eligible to attend the AGM

**OTHER INSTRUCTIONS**

1. **A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date i.e. Thursday, December 10, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and e-voting thereat.**
2. 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 i.e. **Thursday, December 10, 2020**. 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 resolution mentioned in the AGM Notice in proportion to the Preference Shares held by them. Hence, the AGM Notice is being sent to them along with other members.
3. The total voting capital of the Company for determining the voting rights of members as on Cut-off Date will be 283,925,152 Shares (i.e. including 258,925,152 Equity Shares and 25,000,000 Preference Shares).



4. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFin Technologies Website) or contact Mr. S V Raju of KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 at 040-67162222 or at 1800 345 4001 (Toll Free).
5. You can also update your mobile number and e-mail id in the user profile details to get e- voting confirmation and which may be used for further communications.
6. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the Cut-off Date for e-voting i.e., Thursday, December 10, 2020, he/she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
Example for NSDL:  
MYEPWD <SPACE> IN12345612345678  
Example for CDSL:  
MYEPWD <SPACE> 1402345612345678  
Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call KFinTechnologies's toll free number 1800-345-4001 (from 9.00 a.m. to 5.00 p.m.).

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: November 11, 2020



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

The following statement sets out all material facts relating to the Special Businesses mentioned in the Notice

#### **ITEM NO.3**

As per the Regulation 6(3) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI ESOP Regulations**”), approval of member(s) by way of a separate Special Resolution is also required to be obtained by the Company, if the Scheme involves grant of options to identified employees, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant of Option.

Dr. Rashmi Saluja was appointed as Executive Chairperson of the Company w.e.f. February 26, 2020 upon receipt of approval of the RBI for the said appointment. The said appointment has been approved by the shareholders of the Company through postal ballot on May 28, 2020, the results of which were announced on May 29, 2020. In the said postal ballot, approval of shareholders via separate special resolution was also taken for grant of 50,00,000 stock options to Dr. Rashmi Saluja, in excess of 1% of the issued share capital of the Company which were granted to her on June 01, 2020.

Given the dynamic and frequently changing business environment in which the Company is currently operating, it is imperative that the current leadership is heavily invested in growing the organization and is aligned in building a long-term business with high shareholder return. In this phase, granting Stock Options is an ideal vehicle for boosting the growth focus of Religare Group by reiterating to the employees that they are partners of the organization and ensuring that there is clear alignment of payout with core business performance, with strong linkage to shareholder value creation.

Further, considering the criticality of role of Executive Chairperson heading the organization at such challenging times, the Board based on the recommendation of the Nomination and Remuneration Committee of the Company has recommended for approval of the shareholders, further grant of 35,00,000 stock options to Dr. Rashmi Saluja which are exceeding 1% of the current issued share capital of the Company in FY 2020-21, the details of which are mentioned in the proposed resolution as set out in Item No. 3 of this Notice. The grant of these Employee Stock Options has been proposed to incentivize driving performance leading to improved corporate growth and profitability.

The Board accordingly recommends the Special Resolution set out at Item No. 3 of this Notice for approval by the members by way of Special Resolution.

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 said resolution set out in this Notice.

#### **ITEM NO.4**

Dr. Rashmi Saluja (DIN: 01715298) has been appointed as Executive Chairperson of the Company for a period of 3 (three) years with effect from February 26, 2020 till February 25, 2023 by means of special resolution passed by the members of the Company through postal ballot on May 28, 2020, the result of which was submitted on May 29, 2020 on the terms and conditions including payment of remuneration as mentioned therein.



Considering the current prevalent market practice of Executive compensation and benefits, the seniority and criticality of the position and for attracting and retaining talent, the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company in their respective meetings held on September 02, 2020, subject to the approval of the members of the Company, accorded their approval for revision of the remuneration of Dr. Rashmi Saluja, Executive Chairperson by including the perquisite of Company paid accommodation and related incidental expenses upto Rs. 10 Lakhs per month w.e.f. September 02, 2020, in addition to the existing remuneration and perquisites already approved by the Shareholders, for the remaining period of her tenure up to February 25, 2023 with the authority granted to the Board of Directors (herein after referred to as the Board which term shall be deemed to include the Nomination and Remuneration Committee) from time to time to alter / revise the remuneration / terms and conditions in the best interests of the Company with in the overall limits of approvals obtained from the shareholders.

Pursuant to the provisions of Section 196, 197 and 198 of the Act read with Schedule V, a company having inadequate / nil profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

Since, the Company has incurred losses till the FY 2020; the managerial remuneration may be paid on the basis of provisions of Schedule V of the Act. Accordingly, the approval of shareholders is proposed to be sought by way of a Special Resolution for the revision of remuneration of Dr. Rashmi Saluja, Executive Chairperson of the Company.

The details of proposed revision of remuneration of Dr. Rashmi Saluja are as set out in the resolution which is subject to your approval.

The additional information as required under Section II of Part II of Schedule V of the Act with respect to the Company and the managerial personnel for whose remuneration the matter relates are mentioned hereunder:

#### 1. General Information:

a) **Nature of Industry:** Religare Enterprises Limited (the Company / REL) offers an integrated suite of financial services through its underlying subsidiaries and operating entities. The Company is a Core Investment Company registered with the Reserve Bank of India.

b) **Date or expected date of commencement of commercial production:**

The Company is engaged in the financial services activities and as such there is no date of commencement of commercial production.

c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

d) **Financial performance based on given indicators:**

Financial performance based on standalone and consolidated financial results of the Company for the Financial Years 2018-19 and 2019-20 are as under:



PARTICULARS	STANDALONE		CONSOLIDATED	
	(Rs. in Crore)		(Rs. in Crore)	
	2018-19	2019-20	2018-19	2019-20
Total Income	35.17	60.59	2,381.01	2,397.48
Total Expenditure	181.28	200.75	3,884.45	3,257.46
Profit / (Loss) After Exceptional Items and Before Tax	(146.11)	(310.16)	(1,503.44)	(1,029.98)
Share in Profit / (Loss) of Associates (Net)	-	-	(0.09)	(0.13)
Profit / (Loss) After Share In Profit / (Loss) of Joint Ventures and Before Tax	-	-	(1,503.53)	(1,030.11)
Profit / (Loss) After Tax For The Year	(146.11)	(310.16)	(1,500.95)	(1,037.98)
Other Comprehensive Income ("OCI")	0.16	(0.52)	3.95	13.84
Total Comprehensive Income For The Year	(145.95)	(310.68)	(1,497.00)	(1,024.14)
Total Comprehensive Income For The Year Attributable to:	-	-	-	-
a) Owners Of The Company	(145.95)	(310.68)	(1,283.52)	(920.56)
b) Non-Controlling Interest	-	-	(213.48)	(103.57)

- e) **Foreign Investments or collaborations, if any:** The Company has one direct foreign subsidiary i.e. Religare Global Asset Management Inc. in USA which was held as indirect subsidiary by the Company through RGAM Investment Advisors Private Limited ("RGAM India") till December 29, 2017. Effective December 29, 2017, upon merger of RGAM India with the Company, RGAM Inc. became direct subsidiary of the Company. RGAM Inc. is currently under a plan of liquidation and has surrendered the license as Investment Adviser from Securities and Exchange Commission, USA w.e.f. September 15, 2016.

## 2. Information about the Managerial Personnel:

### a) Background Details:

Dr. Rashmi Saluja is a Doctor and an Entrepreneur. She is an MBBS, MD, LL.B., PhD & MBA (Finance) by qualification. Dr. Saluja has administrative experience of more than 25 years, setting up institutions and being involved in social and charitable activities.

As Executive Chairperson of Religare Enterprises Limited, Non-Executive Chairperson of Care Health Insurance Limited (*formerly Religare Health Insurance Company Limited*) and Religare Broking Limited and Chairperson cum Managing Director of Religare Finvest Limited, subsidiaries of the Company, Dr. Saluja has been leading the organisation from the front, through challenging times, to build a strong and integrated financial services group.

- b) **Proposed & Past Remuneration & Recognition or Awards:** Proposed revision in the Remuneration of Dr. Rashmi Saluja is mentioned in the resolution set out in the Notice.



During the last 2 financial years, the remuneration received by her from the Company is as below:

**Amount (Rs.)**

Designation	Particulars of Payments	FY 2019-20	FY 2018 -19
<b>As Executive Chairperson</b> (from Feb 26, 2020 to Mar 31, 2020)	Salary & Allowances	41,85,140	NA
	Joining Bonus	50,00,000	NA
<b>As Independent Director</b>	Sitting Fees for attending the Board & Committee Meetings	21,80,000*	5,20,000
	<b>Total</b>	<b>1,13,65,140</b>	<b>5,20,000</b>

\*till February 26, 2020 i.e. date of becoming the Executive Chairperson

**c) Job Profile and Suitability:**

Considering the current circumstances of the Company and the group, there was an urgent need to induct a cohesive and stable leadership who could manage the day to day affairs and impart strategic guidance to the management of the Company and its subsidiaries. There have been consecutive senior level exits in the recent past, including cessation of Group CEO on July 19, 2019, which created a vacuum for an ideal leader to guide the Company in its revival phase and make significant contributions in driving the Company towards stability.

In order to bring in the strategic guidance and leadership to the Company's Management and Board, Dr. Rashmi Saluja was requested to take charge of affairs of the Company and act as an Executive Chairperson in the interest of the Company and shareholders. The Board of Directors are of opinion, that under the leadership of Dr. Rashmi Saluja, the Company and the Group will tide over the current crisis, boost employee morale, gain confidence of the various authorities and regulators; attract fresh investments in the Company and the Group for its revival.

**d) Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person:**

Taking into consideration the nature of the industry in which the Company operates, size of the Company, responsibilities shouldered by Dr. Rashmi Saluja in leading the Group in the current difficult times and the industry benchmarks, providing Company paid accommodation with all reasonable incidental expenses, up to Rs. 10 Lakh per month, in addition to the existing remuneration and perquisites already approved by the shareholders to Dr. Rashmi Saluja, Executive Chairperson is justified and is comparable to remuneration paid in the financial services industry.

**e) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Except Dr. Rashmi Saluja for proposed revision of remuneration in the capacity of Chairperson, none of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice. Further, Dr. Rashmi Saluja is also not related to any director or managerial personnel of the Company.





### 3. Other Information

#### **Reasons for loss & Steps taken or proposed to be taken for improvements & Expected increase in productivity and profits in measurable terms:**

Religare Enterprise Limited ('REL' or 'Company') is a holding company with investments in its subsidiaries across financial services businesses viz. Lending, Health Insurance and Retail Broking which REL had seeded, nurtured and built these businesses over time. Accordingly, REL is registered as a Core Investment Company (CIC) with the Reserve Bank of India (RBI). While REL charges its subsidiaries a nominal fees towards providing corporate or advisory services but it doesn't have any other core business operations or revenue from outside parties or customers. REL incurs cost towards governance, advisory, legal, capital raising, brand, technology support related to its underlying portfolio investment companies. REL expects to generate majority of its revenue, profits and consequently shareholder returns from dividends and/ or capital gains from portfolio of businesses in its subsidiaries. As at March 31, 2020, REL's total investments in its subsidiaries and affiliates amounted to Rs. 2,059.01 cr. and are predominantly in form of equity investments.

The Company has been facing challenging times due to problems in the lending vertical i.e. Religare Finvest Limited (RFL) on account of past irregularities done by promoters and ex-management which resulted into putting RFL under the Corrective Action Plan (CAP) by RBI in January 2018 which inter-alia prohibits RFL from expansion of credit / investment portfolios other than investment in government securities and advised RFL to not pay any dividends. Since then RFL has been focussed on collection and recoveries to meet its repayment obligations to the Lenders. To overcome same, RFL along with the Company is working on the revised Debt Resolution Plan with its lenders and regulators and to induct a strategic investor. Religare Housing Development Finance Corporation Limited though a profitable business is facing the cascading effect of the problems in its immediate parent entity RFL.

The broking business is headed by the Company's wholly owned subsidiary Religare Broking Limited (RBL) which made of loss of Rs 21.46 cr. in FY 2019-20. RBL has been suffering from capital and liquidity squeeze which has constrained the growth of its business volume, though the inherent clientele, infrastructure and technology platform of RBL is robust. RBL's credit rating has been downgraded primarily due to financial stress at group level and this restricted bank finance and capital for the business. The Company and RBL's management is making concerted efforts to improve the situation.

The new Board and Management team has played a critical role and helped the Group restore confidence amongst various stakeholders i.e. Investors, Lenders, Employees and Business Partners, etc. The Company and RFL are pursuing all regulatory and legal actions, both civil and criminal, to ensure recovery of funds siphoned from Religare group. The Company has also raised necessary capital directly and through its subsidiaries towards the growth of the underlying businesses in its material subsidiaries. Resolution of some of the past disputes and legacy issues are also the highlights of this financial year. The Company is of the view that these measures have contributed towards business and financial wellbeing of the Company. The efforts have helped raise necessary capital for growth businesses and also move towards resolution of legacy issues and financial stress of lending business. The ongoing efforts should result in value accreditation and financial improvement for the Group as well as the Company and take it towards profitability. The Company is also of the view that with overall improvement of financial situation of the Group it will be able to attain the past glory.

The Board accordingly recommends the Special Resolutions set out at Item No. 4 of this Notice for approval by the members by way of Special Resolution.

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.

**ITEM NO. 5**

The members are apprised that approval of shareholders of the Company by way of a special resolution is required under Regulation 24(6) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) for selling, disposing and leasing of assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year, unless *inter alia* the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

Members are requested to note that Religare Housing Development Finance Corporation Limited (“**RHDFCL**”) is a material subsidiary of the Company under Lending vertical held through Religare Finvest Limited (“**RFL**”).

RHDFCL is currently facing liquidity crunch due to Asset-Liability mismatch which may lead to stress in timely repayments of the obligations to the lenders. Due to cascading effect of past problems in RFL (immediate parent of RHDFCL) and consequential low credit rating, the existing facilities of RHDFCL are unlikely to be rolled over by the lenders. To ensure RHDFCL meets its repayment obligations to the lenders from time to time in future, RHDFCL may have to securitize/sell its loan receivables by way of sale/ assignment /securitization/transfer etc., which may exceed 20% (twenty per cent) of the assets of RHDFCL during the year.

Since, aforementioned prospective Sale/Assignment/ Securitization of loan receivables of RHDFCL may result in disposal in excess of 20% (twenty per cent) of its total assets during a financial year, an enabling approval of shareholders of the Company by way of special resolution is being sought to enable RHDFCL to execute the proposed sale/assignment/ securitization of its loan receivables from time to time so that it can meet its repayment schedule of market liabilities.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of this Notice for approval by the members by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

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: November 11, 2020



## Annexure to the Notice dated November 11, 2020

### Additional Information for Director retiring by rotation/ seeking appointment at the AGM:

1. **Name of Director seeking appointment:** Mr. Siddharth Dinesh Mehta

2. **Date of Birth/ Age:** June 26, 1978/ 42 Years

3. **Date of first Appointment on Board:** July 30, 2019

4. **Qualifications, Experience and expertise in specific functional area:**

Mr. Siddharth Dinesh Mehta is the founder and CIO of Bay Capital Partners Ltd, an India focused investment firm. He has a career spanning over 20 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.

5. **Remuneration last drawn, if any:** In FY 2019-20, he has drawn a sitting fees of Rs. 3 Lakhs for attending the meeting of the Board of Directors and the Committees.

6. **Shareholding in the Company:** Nil

7. **No. of Board Meetings attended during the year:** In FY 2019-20, he has attended 6 Board Meetings

8. **Terms and Conditions of appointment:** Mr. Siddharth Dinesh Mehta will 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. Care Health Insurance Limited (*formerly Religare Health Insurance Company Limited*)
2. Bay Capital Advisors Private Limited
3. Bay Capital India Fund Limited
4. Park Chinois
5. Bay Capital Partners Limited
6. Pebble Holding Pte. Ltd.
7. Bay Capital India Fixed Income Fund Limited
8. Bay Capital Investments Ltd
9. Bay Capital India Fund QP
10. Bay Capital Feeder Fund


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

S. No	Name of Company	Name of Committee	Designation (Chairman/Member)
1	Religare Enterprises Limited	Nomination and Remuneration Committee	Member
		Investment, Borrowing and Share Allotment Committee	Member
		Stakeholders Relationship Committee	Member
		Asset Liability Committee	Member
		Risk Management Committee	Member
		Corporate Social Responsibility Committee	Member
		RPT Sub-Committee	Member
		IT Strategy Committee	Member
2	Care Health Insurance Limited (formerly Religare Health Insurance Company Limited)	Audit Committee	Member
		Allotment Committee	Member
		Investment Committee	Member
		Policyholders Protection 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.



# RELIGARE ENTERPRISES LIMITED

# 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.

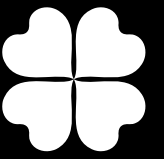


## **Team Work**


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.



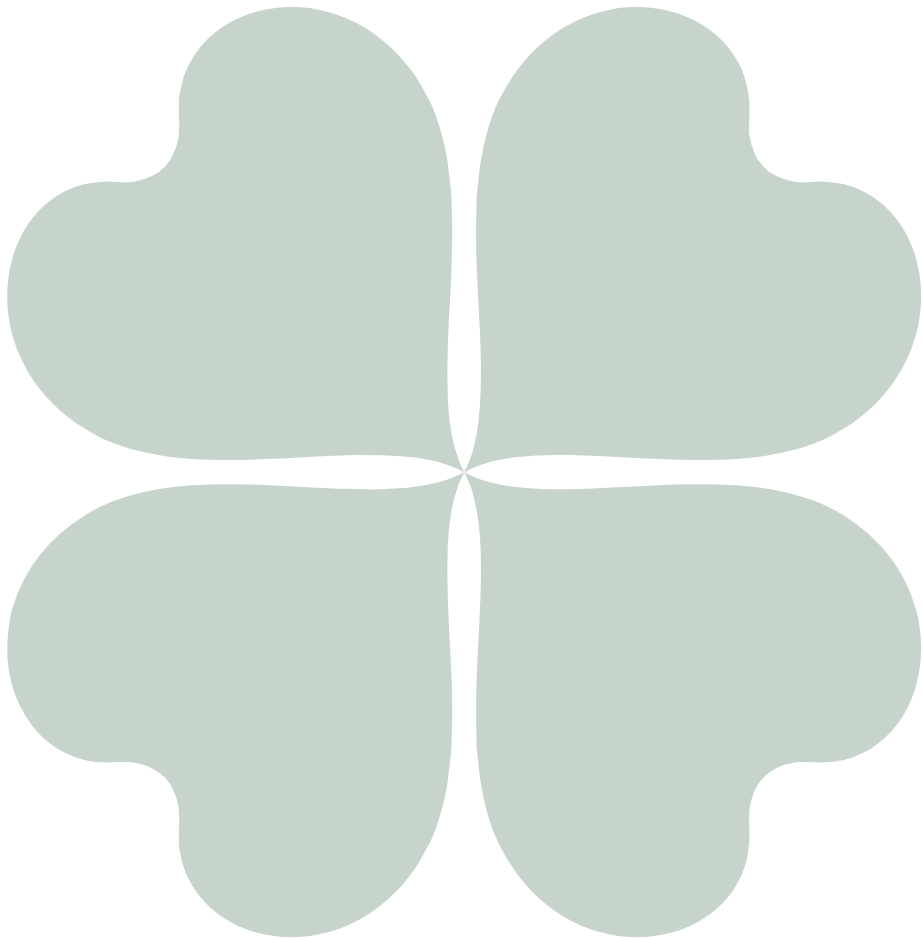
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# **COMPANY INFORMATION**





<b>BOARD OF DIRECTORS</b>	: Dr. Rashmi Saluja ( <i>Executive Chairperson</i> ) Mr. Siddharth Dinesh Mehta ( <i>Non-Executive Non-Independent Vice-Chairperson</i> ) Ms. Vijayalakshmi Rajaram Iyer ( <i>Independent Director</i> ) Ms. Sabina Vaisoha ( <i>Independent Director</i> ) Mr. Sushil Chandra Tripathi ( <i>Independent Director</i> ) Mr. Malay Kumar Sinha ( <i>Independent Director</i> )
<b>GROUP CHIEF FINANCIAL OFFICER</b>	: Mr. Nitin Aggarwal
<b>COMPANY SECRETARY</b>	: Ms. Reena Jayara
<b>REGISTERED OFFICE</b>	: 1st Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi - 110001
<b>CIN NO</b>	: L74899DL1984PLC146935
<b>Phone</b>	: +91-11-4002 1400
<b>Fax No.</b>	: +91-11-4002 1401
<b>E-mail</b>	: investorservices@religare.com
<b>Website</b>	: www.religare.com
<b>BANKERS TO THE COMPANY</b>	: HDFC Bank Limited Axis Bank Limited
<b>AUDITORS</b>	: M/s. S.S. Kothari Mehta & Co, Chartered Accountants Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi - 110020
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	: KFin Technologies Private Limited ( <i>formerly known as Karvy Fintech Private Limited</i> ) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032



Message From The

**EXECUTIVE CHAIRPERSON'S DESK**







### Dear Shareholders,

We at Religare, truly believe that businesses built through passion, perspiration, perseverance and preserving our values, shall always be successful in long run. Our path to success may be filled with roadblocks but we see them as stepping stones to go farther and higher. In this continuous journey, the new Board and Management at Religare Enterprises Limited (REL) is leaving no stone unturned to reinvent the Religare Group by strategically reviving and growing different businesses of your Company.

As you know, your Company has three key businesses under its subsidiaries i.e. Insurance, Lending and Retail Broking and each of them achieved critical business objectives in Financial Year 2019-20 (FY20). Our Insurance subsidiary, Care Health Insurance Limited

(CHIL) (formerly known as Religare Health Insurance Company Limited) has crossed the gross written premium of Rs 2,400 crore in FY20, achieving 31% growth in comparison to last year. CHIL is one of the fastest growing insurance company in India, which has turned profitable within 8 years of operations; the PAT for FY20 was Rs 66 crore. CHIL also raised equity capital of Rs 58.5 crore in FY20 and recently in June 2020, it received primary investment of Rs 300 crore from a marquee private equity fund. REL currently holds 71.84% equity stake in CHIL.

The MSME lending NBFC and wholly owned subsidiary of REL, Religare Finvest Limited (RFL), has taken several important actions during the year, to correct its asset liability mismatch and resume normal business operations. RFL, which is under Reserve Bank of India's (RBI) Corrective Action Plan (CAP), focused vigorously on its collections and recovery efforts and repaid Rs 1,517 crore to its lenders during FY20. RFL had put together a Debt Restructuring Plan (DRP), which was approved by a majority of its lenders in FY20. Under June 7, 2019 circular of RBI, a strategic investor was acquiring the business, however the investor could not get the regulatory approval for the transaction. Nevertheless, RFL is again making renewed efforts, working with lenders, investors and regulator, towards its full-fledged revival. Our affordable Housing Finance business is still in nascent form with a loan book of Rs 603 crore and it is profitable making a PAT of Rs 4.9 crore in FY20.

The Retail Broking business is primarily undertaken by Religare Broking Limited (RBL), a wholly owned subsidiary of REL. RBL has more than 900 points of presence spanning 400+ towns and cities across the length and breadth of India and it services more than 1 million unique customers. During FY20, the turnover of Broking business increased by ~ 6% and RBL reported consolidated revenue of Rs 220 crore. RBL is investing in Products and Technology and more than 60% of its transaction are now moved to online channels. We expect coming year to be a turnaround year for Broking business on both volume and profitability fronts.

During FY20, your Company also received primary capital of Rs 161.5 crore as warrant conversion money and Rs 200 crore from the sale of 6.39 % stake in CHIL. The Company utilized these funds in paying of its obligations and investing in subsidiaries. During the year your Company actively pursued all legal and recovery cases and also amicably settled past disputes which were acting as bottlenecks in Company's growth. The legal case with a Private Bank and Marquee PE investors of RFL were also settled & closed amicably by your Company.



I strongly feel that we have now set a very strong foundation for the Group in terms of capital, governance, leadership, culture, business strategy and operations, and this would usher us towards an era of growth and profitability. I am confident that the true value and potential of your Company will surely be unlocked in coming times. I express my sincere thanks to all shareholders for supporting the Company in all its efforts.

Stay safe and stay healthy.

With Best Regards,  
Dr. Rashmi Saluja  
Executive Chairperson





The background is a solid dark green color. It features several large, semi-transparent triangles in a slightly lighter shade of green, some pointing up and some pointing down. There are also several thin, light-colored lines crisscrossing the background at various angles. In the center, the text "OUR BUSINESSES" is displayed in a bold, white, sans-serif font. The word "OUR" is positioned above "BUSINESSES". The text is enclosed within a thin, light green rectangular border that is open on the left and right sides.

**OUR  
BUSINESSES**



Religare Enterprises Limited ('REL' or 'Company') is a Core Investment Company (CIC) registered with the Reserve Bank of India (RBI). REL is also the listed holding company for the subsidiaries conducting diversified financial services businesses of the group. The four key financial services businesses undertaken through its subsidiaries are as following:

- A. Insurance (Health & Travel) - Care Health Insurance Limited (CHIL)**
- B. SME Finance NBFC - Religare Finvest Limited (RFL)**
- C. Housing Finance (Affordable) - Religare Housing Development Finance Corporation Limited (RHDFCL)**
- D. Retail Broking - Religare Broking Limited (RBL)**

All these Religare Group (REL & subsidiaries) businesses have independent management teams to conduct their day-to-day operations. REL supports its subsidiaries by providing requisite Growth Capital, Board Oversight & Governance, Brand Equity, Strategic Advisory & Consulting and need based Corporate Services (Legal, Technology, HR, etc.). The Religare Group has access to a wide reach of customers – 1 million+ policy holders in insurance business, 1 million+ broking customers, more than 26k+ customer served through MSME finance & 10k+ customers contacts in affordable housing finance. As on March 31, 2020 Group has overall employee base of more 10,700 professionals servicing diversified set of customers and Group has reach to around 1,000+ locations around India.

### **A. Insurance (Health & Travel) - Care Health Insurance Limited (CHIL)**

CHIL which ranks number 3 in terms of GDP amongst the Stand Alone Health Insurance Companies (SAHI) is 71.84% held by REL. CHIL commenced business in 2012 and has a network presence at 1,000+ locations across country with 156 branches and 10,000+ hospitals empaneled for cashless claims. It has a product bouquet of 23 products encompassing group, travel, fixed benefit and indemnity categories to serve varied customer needs. CHIL has a differentiated service offering from corporate business, 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. CHIL has also successfully completed Ayushman Bharat mandate (government scheme) in Chhattisgarh. The company continued to invest in Digital properties for its customers, partners and its employees.

### **B. SME Finance NBFC - Religare Finvest Limited (RFL)**

Religare Finvest Limited (RFL), is a wholly owned subsidiary of REL as on March 31, 2020, is registered with RBI as a non-deposit taking, systemically important Non-Banking Financial Company (NBFC-ND-SI). RFL's business 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 and by 2016, RFL had grown to build a peak business book of over Rs 16,000 crore to become one of the largest SME financing platforms in India. Currently, RFL has an employee base of over 350 and it has 20 branches pan India, servicing 24 locations. RFL's product offerings comprise of:

- ✓ **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.

### C. Housing Finance - Religare Housing Development Finance Corporation Limited (RHDFCL)

Religare Housing Development Finance Corporation Limited (RHDFCL), a step down subsidiary of REL in which REL holds 87.5% equity stake through RFL, offers residential collateral backed mortgage loans for home purchase, construction, extension & renovation along with loan against residential property to customers both formal & informal income segment essentially belonging to the low & medium income groups. RHDFCL is registered Housing Finance Company (Non-deposit taking) with a SARFAESI License. RHDFCL operates through 27 branches as on March 31, 2020 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.

### D. Retail Broking -Religare Broking Limited (RBL)

- ✓ **Retail Broking:** The Retail Broking business is primarily undertaken by Religare Broking Limited (RBL), a wholly owned subsidiary of REL, and its subsidiary Religare Commodities Limited (RCL)(step down subsidiary of REL). RBL provides trading capabilities across all product segments – cash equities, equity derivatives, commodities, currency derivatives, and mutual funds; on all major stock and commodities exchanges in India. RBL has more than 900 points of presence spanning 400+ towns and cities across the length and breadth of India and it services 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. RBL & RCL provides multi-platform options for trading such as Branch, Web, mobile App, Call & Trade to enhance customer convenience and ease. The Retail Broking business also has Bancinvest partnerships with various banks like Andhra Bank, Bank of Maharashtra, Corporation Bank, IndusInd Bank Limited, Karur Vysya Bank Limited, South Indian Bank Limited, UCO Bank and Union Bank of India etc.
- ✓ **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.



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# **BOARD OF DIRECTORS**



### **DR. RASHMI SALUJA** **EXECUTIVE CHAIRPERSON**

Dr. Rashmi Saluja is a doctor and an entrepreneur. She is an MBBS, MD, LLB, PhD & MBA (Finance) by qualification. Dr. Saluja has administrative experience of more than 25 years, setting up institutions and being involved in social and charitable activities. As Executive Chairperson of Religare Enterprises Limited, Chairperson cum Managing Director of Religare Finvest Limited and Non-Executive Chairperson of Care Health Insurance Limited (formerly Religare Health Insurance Company Limited) and Religare Broking Limited, subsidiary companies, Dr. Saluja has been leading the organisation from the front, through challenging times, to build a strong and integrated financial services group.

### **MR. SIDDHARTH DINESH MEHTA** **VICE CHAIRPERSON (NON –EXECUTIVE & NON-INDEPENDENT)**

Mr. Siddharth Mehta is the founder and CIO of Bay Capital Partners Ltd, an India focused investment firm. He has a career spanning over 20 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**

Mrs. 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, Mrs. Iyer was the Chairperson and Managing Director of Bank of India which is among the top 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, Mrs. 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 has been associated with India's leading news network, New Delhi Television (NDTV) for 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, Awards and Social Awareness Campaigns. She has also consulted with Network18 on Nationwide campaigns to spread awareness of important social issues to bring about



a change in society.

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

#### **INDEPENDENT DIRECTOR**

MSc (Physics-Spl Electronics -First class first), LLB, PG Dip in Development (Cantab.), AIMA Dip 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 has been Independent Director on the Boards of several Public 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.





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# **AWARDS & RECOGNITION**



**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



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# **FINANCIAL DECLARATION**



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

Your Directors have pleasure in presenting this 36<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, 2020.

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

Your Company made significant progress in Financial Year 2019-20, overcoming the challenges faced due to past financial irregularities committed against the Company and Religare Finvest Limited ("RFL"), a material subsidiary of the Company, by the promoters and ex-management. Since February 2018, professional Board members have been inducted on the Board of Directors to provide leadership and guidance to the Religare group. A new and experienced Management Team has also been inducted into the Company and RFL. The Company and RFL are pursuing all regulatory and legal actions, both civil and criminal, to ensure recovery of funds siphoned from Religare group. The Company also raised necessary capital directly and through its subsidiaries towards the growth of the underlying businesses in its material subsidiaries. Resolution of some of the past disputes and legacy issues are also the highlights of this financial year.

The Company came out with a Preferential Issue of convertible warrants in the Financial Year 2018-19. During the year under review, few warrant holders (original and transferees) exercised their conversion option on 41,185,419 warrants by paying the balance 75% of the total consideration money amounting to Rs. 16,154.98 Lakhs. Funds received were 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, Company and its subsidiaries continue to pursue the various initiatives taken in previous years towards revival of the Company and the Group ranging from filing application for re-classification of Promoters and Promoters Group into Public Shareholders category, recovery proceedings at various forums for the recovery of money advanced under the CLB of RFL, filing of criminal complaints with appropriate forums against the Promoters, past management and others for investigation of various suspicious transactions involving fund movement from the Religare group.

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 is working on a Debt Resolution Plan at RFL level in consultation with RFL lenders; the details of which are elsewhere explained in the Report.

All these measures have helped the Religare Group to sustain in critical conditions and are steps towards strengthening the overall position of the Group. The Company wishes to seek the continued support of the entire investors group, 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 Group to its past glory with your enduring patience and support.

### **COVID-19 IMPACT**

The COVID-19 pandemic has significantly impacted the economic activities and business operations of the companies across the Country on account of lockdown that started towards the end of the financial year. This has inter alia affected the business operations of subsidiaries of the Company engaged in the business of lending, housing finance, broking and insurance since the last week of March 2020. Further, in accordance with the RBI guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020, Religare Finvest Limited (RFL) and Religare Housing Development Finance Corporation Limited (RHDFCL) have offered EMI moratorium to its customers based on requests as well as on a suo-moto basis. Estimates and associated assumptions applied in preparing the consolidated financial statements of the



Company, especially for determining the impairment allowance of Rs. 3,819.19 Lakhs for RFL and of Rs. 173.99 Lakhs for RHDFCL on a consolidated basis, are based on historical experience and other emerging/ forward looking factors on account of the pandemic. Care Health Insurance Limited (*formerly Religare Health Insurance Company Limited*) (CHIL), considering that the COVID-19 is rapidly spreading in the country, and can substantially impact the claim level in future, and the 'Reserve for unexpired risk' held at the year-end may not be adequate to meet the increased level of claims in future, has created an additional provision of Rs 2,445.62 Lakhs towards premium deficiency, based on the review conducted and as advised by its Appointed Actuary, which is also in terms of its accounting policy on Premium Deficiency Reserve.

The Group believes that the factors considered are reasonable under the current circumstances. The Group has used early indicators of moratorium and delayed payment metrics observed alongwith an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans and has recognised an additional expected credit loss of Rs. 6,438.80 Lakhs on a consolidated basis. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event of the impacts being more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Group.

## FINANCIAL RESULTS AND BUSINESS OPERATIONS

The highlights of standalone and consolidated financial performance of the Company for the financial years 2019-20 and 2018-19 are as under:

(Rupees in Lakhs)

Particulars	For the financial year 2019-2020		For the financial year 2018-2019	
	Standalone (Audited)	Consolidated (Audited)	Standalone (Audited)	Consolidated (Audited)
Total Income	6,058.94	239,747.85	3,516.57	238,101.10
Total Expenditure	20,075.27	325,746.28	18,127.79	388,445.36
<b>Profit before Tax</b>	<b>(14,016.33)</b>	<b>(85,998.43)</b>	<b>(14,611.22)</b>	<b>(150,344.26)</b>
Exceptional Items	(17,000.00)	(17,000.00)	-	-
<b>Profit / (Loss) before Tax after exceptional items</b>	<b>(31,016.33)</b>	<b>(102,998.43)</b>	<b>(14,611.22)</b>	<b>(150,344.26)</b>
Share in Profit / (Loss) of Joint Ventures	-	(13.14)	-	(8.96)
<b>Profit / (Loss) Before Tax</b>	<b>(31,016.33)</b>	<b>(103,011.57)</b>	<b>(14,611.22)</b>	<b>(150,353.22)</b>
Income tax Expense/ (Credit)	-	785.99	-	(258.16)
<b>Profit / (loss) After Tax</b>	<b>(31,016.33)</b>	<b>(103,797.56)</b>	<b>(14,611.22)</b>	<b>(150,095.06)</b>
<b>Other Comprehensive Income</b>	<b>(51.50)</b>	<b>1383.75</b>	<b>16.19</b>	<b>395.34</b>
<b>Total Comprehensive Income for the period</b>	<b>(31,067.83)</b>	<b>(102,413.81)</b>	<b>(14,595.03)</b>	<b>(149,699.72)</b>
Less: Share of Non- Controlling Interest	-	(10,357.44)	-	(21,347.86)
<b>Total Comprehensive Income/ (Loss) (after tax and non-controlling interest)</b>	<b>(31,067.83)</b>	<b>(92,056.37)</b>	<b>(14,595.03)</b>	<b>(128,351.86)</b>

### (i) Consolidated Performance

We recorded a 'Loss After Exceptional Items and Before Tax' of Rs. 102,998.43 Lakhs, for Financial Year 2019-20 as compared to 'Loss After Exceptional Items and Before Tax' of Rs. 150,344.26 Lakhs, for Financial Year 2018-19. 'Loss After Tax and Share in profit/loss of Joint Venture' was Rs. 103,797.56 Lakhs for Financial Year 2019-20 as compared to 'Loss After Tax and Share in profit/loss of Joint Venture' of Rs. 150,095.06 Lakhs for Financial Year 2018-19. Total Comprehensive Income / (Loss) attributable to the Owner of the Company for the Financial



Year 2019-20 is Rs. (92,056.37) Lakhs as compared to Rs. (128,351.86) Lakhs in Financial Year 2018-19. Basic earnings per share increased to Rs. (39.55) in Financial Year 2019-20 from Rs. (63.32) in Financial Year 2018-19.

One of the major causes for which the Company has incurred losses on a consolidated basis is an additional provision of Rs 38,786.78 Lakhs (net of inter-company elimination) in Financial Year 2019-20 made against loans and investments by Religare Finvest Limited, wholly owned subsidiary of the Company and a settlement consideration of Rs. 17,000 Lakhs payable by the Company to Axis Bank Limited.

## **(ii) Standalone Performance**

We recorded a 'Loss After Exceptional Items and Before Tax' of Rs. 31,016.33 Lakhs, for Financial Year 2019-20 as compared to 'Loss After Exceptional Items and Before Tax' of Rs. 14,611.22 Lakhs, for Financial Year 2018-19. 'Loss After Tax was Rs. 31,016.33 Lakhs for Financial Year 2019-20 as compared to 'Loss After Tax of Rs. 14,611.22 Lakhs for Financial Year 2018-19. Total Comprehensive Income / (Loss) for the Financial Year 2019-20 is Rs. (31,067.83) Lakhs as compared to Rs. (14,595.03) Lakhs in Financial Year 2018-19. Basic earnings per share decreased to Rs. (13.16) in Financial Year 2019-20 from Rs. (6.93) in Financial Year 2018-19.

## **(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 Rs. 530,644 Lakhs out of which SME book constituted 52% and amounted to Rs. 277,486 Lakhs as at March 31, 2020 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. Therefore, RFL has focused its efforts on collections, recovery and correcting the asset liability mismatch in its books. During the year RFL paid a sum of Rs. 151,707 Lakhs to its lenders. RFL has approached its lenders with a revised Debt Resolution Plan to correct the asset liability mismatch in its business. Simultaneously efforts are also being made to raise necessary equity capital. RFL has already made provisions on its entire Corporate Loan Book of Rs. 203,670 Lakhs in previous years. RFL retains its presence across 20 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. RFL is taking necessary corrective actions and making all efforts to come out of the RBI CAP and resume normal business operations at the earliest.

RFL's subsidiary, Religare Housing Development Finance Corporation Limited ("RHDFCL"), which focuses on providing loans to the affordable housing segment, disbursed loans totaling Rs. 1,744 Lakhs during the year and the total book size stands at Rs. 60,317.64 Lakhs as on March 31, 2020 in accordance with Ind-AS. The total income and PAT after OCI for the financial year were respectively Rs. 10,184 Lakhs and Rs. 487 Lakhs. The current book consists of 71% of Affordable house loans followed with 24% of Loan against Property; the remaining 5% consists of builder loans. The average ticket size for the home loans has been Rs. 12.2 Lakhs. RHDFCL has a pan India presence with a network of 27 branches. RHDFCL has remained profitable in each year of its operations since it became a part of the Religare group.

Our Health Insurance business, Care Health Insurance Limited (*Formerly known as Religare Health Insurance Company Limited*) ("CHIL") registered Gross Written Premium of Rs. 240,901 Lakhs during the Financial Year 2019-20, a growth of 31% over the previous financial year and reported PBT of Rs. 6,589 Lakhs. As at March 31, 2020, CHIL has established a Pan-India distribution network of 150+ branches. It services over 750+ locations across the Country and has a hospital network of 10,000+ hospitals. It offers 21 products to cater to varied customer needs. CHIL 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") and Religare Commodities Limited ("RCL"), reported consolidated revenue of Rs. 21,986 Lakhs for the financial year ended March 31, 2020. 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 IndusInd Bank Limited, Andhra Bank, Bank of Maharashtra, Corporation Bank, Karur Vysya Bank Limited, South Indian Bank Limited, UCO Bank and Union Bank of India, etc. RCL won 'Best Broking House – 2019' Bullion by MCX and RBL also won - NSE Market Achievers Awards 2019- Regional Retail Member of the Year- North - 2019. For better business synergy, the commodities broking business of RCL has been transferred to its holding company, RBL, as a 'slump sale' (as defined as per section 2 (42C) of the Income-tax Act, 1961) at a total cash consideration of Rs. 2,300 Lakhs with effective date of September 7, 2019.

## **CHANGE IN NATURE OF BUSINESS**

During the year under review, there was no change in the nature of business of the Company.

## **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 Disclosure 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 Reserve Bank of India ("RBI") vide its letter dated April 5, 2019 has advised the Company to stop paying dividends till further orders from RBI and has continued that restriction vide its letter dated December 19, 2019.

## **SUBSIDIARIES & JOINT VENTURES**

As at March 31, 2020, your Company has 25 direct and indirect subsidiaries. During the year under review, the businesses of the Company and its subsidiaries and changes, if any, 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.

As at March 31, 2020, 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**

The Capital to Risk Weighted Assets ratio ("CRAR") of RFL as on March 31, 2020 is below the prescribed limit. 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, interalia, prohibits RFL from expansion of credit/investment portfolios other than investment in Government Securities and advices RFL not to pay dividend. In this regard, RFL is taking the necessary corrective measures as advised by RBI and will seek removal of CAP in the due course.



## 2. Corporate Loan Book

RFL has an exposure of Rs. 203,670 Lakhs as per financials as at March 31, 2020 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. 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 Rs. 203,670 Lakhs during the previous years against this portfolio. Insolvency proceedings have been initiated before the Hon'ble NCLT Delhi against the Borrowers forming a part of the Corporate Loan Book. RFL has filed petitions in Hon'ble NCLT for recovery of corporate loans. Hon'ble Supreme Court has stayed these proceedings in a hearing of the matter titled Daichi Sankyo Company Limited vs. Oscar Investments Limited. RFL has filed application for intervention which has been allowed by the Supreme Court however, the application for vacation of stay is yet to be heard by the Court.

RFL had filed a criminal complaint on December 19, 2018 before the Economic Offence Wing (EOW), for various criminal actions committed by the erstwhile promoters and other associated persons/entities. The EOW filed its charge sheet on January 5, 2020 against various accused persons and entities. The Enforcement Directorate has suo-moto lodged an enforcement case under the Prevention of Money Laundering Act. The ED has filed its charge sheet on January 10, 2020 and cognizance has also been taken by the Court. The Company and RFL have also filed a complaint with CBI against various accused under various sections of Indian Penal Code, 1860.

## 3. Debt Resolution Plan

During the year ended March 31, 2020, RFL proposed its Debt Restructuring Plan (DRP) to the lenders with the cut-off date of April 1, 2019 in terms of RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 to realign its debt with cash flows. The payments to lenders were being made in accordance with the proposed DRP. However, RBI did not accede to the RFL's request seeking approval for acquisition of control of RFL by TCG Advisory Services Private Limited (TCG) in the month of March 2020. During the same month, RFL also made a further payment of Rs. 83,708.26 Lakhs to its lenders. The total amount paid to lenders aggregates to Rs. 151,707 Lakhs (including Rs. 8,764 Lakhs lying with SBI) during the year ended March 31, 2020. Subsequent to the year end, RFL has submitted its revised DRP to the lenders and alongwith the Company is working towards its revival including discussions with potential investors. Accordingly, the financial statements of RFL have been prepared on Going Concern basis.

## 4. Matters related to Strategic Credit Capital Private Limited ("SCCPL") and its Associates

- (i) As disclosed in previous annual reports, during the year ended March 31, 2018, RFL entered into a settlement agreement with SCCPL and its associate companies for withdrawing various litigations against each other in respect of assignment of loans by RFL to SCCPL. RFL is pursuing recovery of Rs. 79,367.20 Lakhs (fully provided for) from SCCPL. Despite the settlement, SCCPL and its associates have filed a suit before the Hon'ble District Court Saket seeking various reliefs and also seeking discharge of their obligations under the Settlement Agreement. The matter is sub-judice.
- (ii) 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 the Company and other entities as party. SCCPL and PFH are seeking various reliefs in the petition against LVB and amongst other relief, a direction against the RFL's fixed deposits placed with LVB. An interim order dated February 22, 2018 was passed to maintain status quo regarding the Religare trademark as described in the Schedule of the Deed of Assignment. The Company has also filed application for rejection of plaint under order-VII Rule-11 and application u/s 340 Cr.PC against SCCPL for filing fabricated indemnification cum release agreement. Further, Loancore Servicing Solutions Pvt. Ltd. (Loancore) has filed substitution on behalf of SCCPL by way of assignment deed. Thereafter, SCCPL also moved an application u/o 39 R-1/2 of CPC seeking injunction against the Company & RFL, restraining them from selling lending business. The said application was disposed-off on August 9, 2019 in terms of order dated February 22, 2018. Now the case is listed for disposal of interim applications. The matter is sub-judice.
- (iii) RFL has also filed insolvency proceedings against SCCPL and Perpetual Capital and Servicing Pvt. Ltd. (PCSPL). The matters are sub-judice.



- (iv) RFL has also filed various complaints with EOW, New Delhi against, SCCPL, Mr. Francis Daniel Lee, Mr. Mohnish Mukkar and their associates for various offences including but not limited to cheating, misappropriation, forgery, criminal intimidation, extortion, criminal breach of trust, and criminal conspiracy against SCCPL and its associate entities & individuals.

## 5. 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 Rs. 79,144.77 Lakhs to RFL. 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. 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 Fixed Deposits amounting to Rs 79,145 Lakhs misappropriated by LVB on May 31, 2018 before the Hon’ble Delhi High Court that passed interim Orders directing that status quo be maintained in respect of RFL’s current account maintained with LVB. Further, State Bank of India and SCCPL alongwith its associates have filed application for impleadment in the said suit.

Apart from civil suit for recovery, RFL had also filed a criminal complaint against LVB and others on May 15, 2019 with Economic Offences Wing, Delhi (EOW). The EOW has registered a FIR bearing no. 189 of 2019 dated September 23, 2019 against LVB & Ors. for committing offence of criminal breach of trust and criminal conspiracy. RFL has also placed on record, the FIR lodged by it against LVB & ors.

The EOW has filed its charge sheet on March 23, 2020, cognizance on which is yet to be taken by the Court.

The matter is sub-judice. Also, the Enforcement Directorate has lodged an ECIR on the basis of the FIR lodged by EOW.

## MAJOR EVENTS

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

With respect to the Company’s application with stock exchanges for re-classification of existing Promoters and Promoters Group, the stock exchanges vide communication dated March 13, 2020 advised the Company to re-initiate the process of re-classification based on the request letters dated June 07, 2018 and August 08, 2018 earlier received from Promoters/ Promoters Group in the year 2018.

The Board of Directors accordingly through a resolution passed by circulation on April 11, 2020 has again considered the request dated June 07, 2018 and August 08, 2018 of Promoters and Promoter Groups alongwith the Company’s communication dated March 16, 2020 to Promoters and Promoters Group for re-classification into the Public Shareholder category and accordingly approved the proposal for the “re-classification of Promoters and Promoters Group into the Public Shareholder” in terms of amended Listing Regulations. The shareholders of the Company have approved the matter through Postal Ballot on July 23, 2020, the results of which were submitted on July 24, 2020. However, the Company vide email dated July 23, 2020 has received a communication from Counsel of Mr. Shivinder Mohan Singh (One of the Promoters) stating that Mr. Shivinder Mohan Singh withdraws the request for re-classification from ‘Promoters /Promoters



Group' to 'Public Category'. However, as intimated to Stock Exchanges vide its announcement dated July 24, 2020 with detailed note, the Company is committed to disassociate itself from promoters of the Company at the earliest to instill the confidence in various stakeholders of Religare group. The Company has also intimated its stand to Mr. Shivinder Mohan Singh vide its response dated July 24, 2020. The Company has also submitted the application for re-classification of Promoters / Promoters Group with the stock exchanges on July 31, 2020 which is pending for approval as on date.

#### ➤ **Conversion of Warrants**

Out of the total 111,497,914 convertible warrants issued by the Company to 38 resident Indian subscribers on April 19, 2018, the Company received Rs. 16,154.98 Lakhs in October 2019 as balance 75% consideration towards the conversion option exercised by the few remaining outstanding warrant holders.

The last date of conversion of warrants was October 18, 2019. Certain warrant holders holding 31,825,010 warrants have not exercised their options to convert these warrants and the Company has not received the balance 75% amount for these 31,825,010 warrants. Accordingly, in terms of Regulation 169(3) of SEBI ICDR Regulations, 2018, 25% consideration (amounting Rs. 4,161.12 Lakhs) paid against these 31,825,010 warrants stood forfeited and transferred to Capital Reserve Account.

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, 2020. The details of utilization of funds received from preferential issue of warrants are disclosed in the notes to the Financial Statements.

#### ➤ **Composite Scheme of Arrangement**

On December 18, 2019, the Board of Directors of the Company approved, subject to requisite approvals, the draft Scheme of Amalgamation ("Scheme") that is designed to simplify the Group corporate structure. In terms of the Scheme, four (4) direct/indirect wholly owned subsidiaries of the Company namely, Religare Comtrade Limited, Religare Insurance Limited, Religare Advisors Limited and Religare Business Solutions Limited will merge with/into the Company subject to terms and conditions as provided in the Scheme. Further, the earlier Scheme approved by the Board on May 23, 2019 was withdrawn accordingly.

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 has been filed with the Hon'ble NCLT on October 31, 2020.

#### ➤ **Termination of Share Purchase Agreement for divestment of Lending Business**

The Company entered into a Share Purchase Agreement on October 1, 2019 with TCG Advisory Services Private Limited ("TCG"), Religare Finvest Limited ("RFL") and Religare Housing Development Finance Corporation Limited ("RHDFCL"), to divest its entire stake in RFL and consequent divestment of RHDFCL to TCG or any of its affiliates. The transaction was subject to necessary statutory and regulatory approvals and fulfillment of other conditions precedent. The Long Stop Date for the transaction as mutually agreed between the parties was March 20, 2020.



However, RBI vide its letter dated March 20, 2020 addressed to RFL, has informed that the request seeking approval of acquisition of RFL by TCG from REL cannot be acceded to. As the Long Stop Date of March 20, 2020 expired without satisfaction of all the Conditions Precedents (CPs) and closing of the transaction as stipulated in the SPA did not occur on or prior to the Long Stop Date i.e. March 20, 2020, the aforesaid SPA stands terminated. RBI has further advised RFL to submit a revised proposal for revival of RFL.

RFL has since submitted the revised Debt Resolution Plan (DRP) with the lenders which is under their active consideration for revival of RFL.

➤ **Divestment of partial stake in Health Insurance Business**

During the year under review, the Company has entered into the definitive agreements (Share Subscription and Share Purchase Agreement and Shareholders Agreement) on February 06, 2020 with M/s. Kedaara Capital Fund II LLP and M/s. Trishikhar Ventures LLP (jointly referred as 'Kedaara' ) for divestment of part of its stake in Religare Health Insurance Limited (name changed to **Care Health Insurance Limited** w.e.f. August 19, 2020) ("CHIL").

Pursuant to same, the Company has divested part of its investment in CHIL, a subsidiary company on June 02, 2020 to Kedaara. The total investment made by Kedaara to acquire shares of CHIL is Rs. 56,730.54 Lakhs which comprises of primary capital infusion of Rs. 30,000 Lakhs in CHIL and Rs. 26,730.54 Lakhs for the purchase of its shares from existing shareholders of CHIL, including purchase of 6.39% stake from the Company against a consideration of Rs. 20,000 Lakhs. The Company currently holds 71.84% stake in CHIL.

➤ **Settlement with Axis Bank Limited**

In relation to order dated March 21, 2018 passed by Hon'ble Debt Recovery Tribunal –II, New Delhi (DRT – II) in the Original Application filed by Axis Bank Ltd. ("OA") apart from other parties, the Company, Religare Capital Markets Ltd ("RCML"), and Religare Capital Markets International (Mauritius) Limited ("RCMIML"), were made parties for recovery of Rs. 31,293.93 Lakhs in relation to a loan facility obtained by RCMIML from Axis Bank which was, inter alia, secured by personal guarantees executed by Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh and certain other securities provided to Axis Bank. The Company has not provided any guarantee/security in relation to the facility obtained by RCMIML from Axis Bank. In the matter, in view of the full and final payment made by the Company to Axis Bank in terms of the Consent Agreement dated October 01, 2019 entered into amongst the Company, RCML, RCMIML and Axis Bank, the Hon'ble Tribunal vide its order dated July 13, 2020 has deleted REL, RCML and RCMIML from the array of parties and Interim orders passed on March 21, 2018 and August 26, 2019 against REL, RCML and RCMIML stand vacated. In accordance with the Consent Agreement, a payment of Rs. 17,000 Lakhs has been made by the Company to Axis Bank.

➤ **Settlement with Private Equity shareholders of Religare Finvest Limited**

On February 11, 2020, the Company, entered into Share Purchase Agreements ("SPA") for acquisition of 3,76,41,204 equity shares of RFL constituting 14.36% shareholding of RFL from Resurgence PE Investments Limited (formerly known as Avigo PE Investments Limited) ("Resurgence") and NYLIM Jacob Ballas India Fund III, LLC ("Jacob Ballas") ('Investors'). Further, a Consent Term Agreement had been entered amongst the parties whereby the parties had agreed to amicably settle all the existing disputes initiated by the Investors against the Company and RFL in accordance with the terms set out therein.

Accordingly, in terms of the SPA, 14.36% stake of RFL was acquired from the Investors for a consideration of Rs. 4,705 lakhs and RFL became a wholly owned subsidiary of the Company on February 28, 2020. Further the put option exercised by the investors in 2016 has been amicably settled for a consideration of Rs. 895 lakhs.



## 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 2019 for the financial position as on March 31, 2019. The Company has suitably submitted the reply/compliance on the Supervisory Concerns / Advisory Letter issued by RBI in December 2019 pursuant to said inspection.

In the Supervisory Concerns / Advisory Letter dated December 19, 2019, RBI has advised the Company to continue to be debarred from declaring the dividends.

### 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.

In response to the SEBI Order, various representations and submissions were made by Religare group companies in writing and also during the personal hearings granted by SEBI in the said matter. SEBI has considered the submissions made by them and passed a Confirmatory Order dated September 11, 2019 which records the submissions and modifies the directions issued earlier. The relevant modifications in the Confirmatory Order are provided below:

- (i) *REL and RFL (i.e. Noticee nos. 1 & 2) shall continue with the steps to recall the loans, amounting to Rs.2065.09 Crores (approx.), extended, either directly or indirectly, to the Noticee nos. 5 to 17 and 19 to 25 (viz. 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, 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), alongwith due interest.*
- (ii) *The Noticee nos. 5 to 17 and 19 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.*
- (iii) *The directions contained in para 10(ii) of the Interim Order in respect of the Noticee no. 4 (Bharat Road Network Limited) and the Noticee no. 18 (Religare Comtrade Limited) stand revoked.*
- (iv) *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 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) In the matters of interim ex-parte Order passed by SEBI on October 17, 2018, read with Confirmatory Order dated March 19, 2019 and modified directions dated June 28, 2019 in the matter of Fortis Healthcare Limited (“FHL”) (“SEBI Order”) an appeal was preferred by Religare Finvest Limited (“RFL”), subsidiary company of REL, against the SEBI Order. After hearing the parties, the Securities Appellate Tribunal (“SAT”) has passed an Order dated January 29, 2020 quashing and setting aside the SEBI Order *qua* RFL. The SAT has remitted the matter to Whole-time Member (“WTM”) of SEBI for passing fresh order, if they so desire after giving an opportunity of hearing to RFL.

SAT has further directed RFL to maintain its assets worth Rs. 200 crores for a period of three months from the SAT Order. If the WTM is unable to pass any Order within the said period, this limited restraint order passed by the SAT will come to an end. However, due to Covid-19 outbreak, the Hon'ble Supreme Court has taken suo-moto cognizance and excluded the lockdown period from the limitation till further orders.

In the said matter, Fortis Hospitals Ltd. has filed a suit for recovery from RFL & Ors. on the basis the SEBI Order dated October 17, 2018 and confirmatory Order March 19, 2019. The matter is sub-judice.

### 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. **Cancellation of allotment of 2,50,00,000 Preference Shares issued to RHC Finance Pvt. Ltd.**

The Company has filed a petition before Hon'ble NCLT, Delhi under Section 55 read with Section 59 and other applicable provisions of the Companies Act, 2013 seeking rectification of register of members of the Company. The said petition is filed with the prayer to order declaring that the allotment of 2,50,00,000 0.001% Non-Convertible Redeemable Preference Shares issued by the Company to RHC Finance Private Limited on August 30, 2016 as void ab initio and /or otherwise unlawful, and to consequently cancel the said allotment. The matter is sub-judice.

### b. **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), an interim application has been filed by the Company disputing its liability as a garnishee. The Company has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 and disputed the liability stating the transaction to be an illegal one. The Hon'ble High Court of Delhi 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 (EOW) for various offences under the Indian Penal Code, 1860 w.r.t transactions relating to issuance and redemption of Preference Shares. The Complaint is filed with the EOW. Investigating Officer is assigned in the matter and notice is issued to the accused. The Company has been served with warrants of attachment as Garnishee, which is being contested / challenged. In Supreme Court there are the contempt proceedings against the Singh Brothers for allegedly violating Delhi High Court orders and selling their stake in Fortis Healthcare Limited. Hon'ble Supreme Court of India has stayed the proceeding which was pending before the NCLT, New Delhi for passing order on admission hearing of insolvency petitions. Now, RFL, REL and RCTL are impleaded as a party in the said proceedings.

The term sheet signed by the Company provides a Redemption Event that "holders of the Preference Shares, may have the option to subscribe to equity shares in REL though preferential allotment worth the Due Amount subject to approval of the shareholders at the time if required and subject to compliance with SEBI regulations and other applicable law."

### c. **Petition against the Company under Insolvency and Bankruptcy Code, 2016**

Loancore Servicing Solutions Pvt. Ltd. (Loancore) has allegedly filed as operational creditor to initiate corporate insolvency resolution process ("CIRP") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority ) Rule, 2016 on the basis of the Penalty Fee Agreement of Rs. 125 Crore approx. As per the Company's understanding said petition is not maintainable on grounds: (a) the Company is in financial services sector and hence can be referred to CIRP under IBC only by RBI; (b) There is no as such Penalty Fee Agreement with Loancore approved by the Board of Directors of the Company ever.

### d. **Petition for rectification of Register of Members of the Company**

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.

### e. **Promoter Indemnity Agreement**

In the matter of Malvinder Mohan Singh vs. Religare Enterprises Limited & Ors., in Hon'ble Delhi High Court, Malvinder Mohan Singh has filed Suit for declaration that the termination of Indemnification cum Release Agreement dated November 14, 2017 ("Indemnity") issued by the Company is unlawful. The new Board had cancelled the Indemnity on September 02, 2018. No notice is issued on the said Petition. The Company has raised objections regarding maintainability of suit. The matter is sub-judice.

### f. **Petition by Finserve Shared Services Limited ("FSSL")**

FSSL has filed a petition against the Company under Section 11 of the Arbitration and Conciliation Act, 1996 for



appointment of the Arbitral Tribunal alleging that the Company had executed a Master Services Agreement dated 09.11.2011 (“MSA”) with FSSL to centralize the costs of REL by the creation of a separate entity which would provide corporate services to REL and its subsidiaries which would also facilitate the reduction of the overall costs of REL and its subsidiaries and persuaded RHC Holding Pvt Ltd. (“RHC”) to make an investment of Rs. 83,900 Lakhs in FSSL, by way of equity, preference and debt. The matter is sub-judice.

**g. Non-redemption of preference shares by Religare Capital Markets Limited (“RCML”)**

RHC has filed a petition against RCML under Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of the Arbitral Tribunal demanding the payment of its investment amount in the preference share capital of RCML of Rs. 52,447 Lakhs along with premium of Rs. 53,841 Lakhs which has been due for redemption but not redeemed by RCML due to losses. The Company has also been arrayed as party to the said petition. The matter is sub-judice.

**EQUITY SHARE CAPITAL**

The current Authorized Share Capital of the Company is Rs. 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 Rs. 10/- (Rupees Ten only) each and 16,20,00,000 (Sixteen Crores Twenty Lakhs) Redeemable Preference Shares of Rs. 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 Rs. 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 Rs. 10/- (Rupees Ten only) each to Rs. 258,12,81,520 (Rupees Two Hundred Fifty Eight Crores Twelve Lakhs Eighty One Thousand Five Hundred and Twenty only) consisting of 25,81,28,152 (Twenty Five Crores Eighty One Lakhs Twenty Eight Thousand One Hundred and Fifty Two only) equity shares of Rs. 10/- (Rupees Ten only) each.

The issued, subscribed and paid up equity share capital as on March 31, 2020 is Rs. 258,12,81,520/-.

Post March 31, 2020, the Company allotted 7,97,000 Equity Shares of face value of Rs. 10/- each at exercise price of Rs. 29.43 each pursuant to exercise of stock options granted under the Religare Enterprises Limited Employee Stock Option Plan 2019. Pursuant to the said allotment, the issued, subscribed and paid up equity capital of the Company stands increased from Rs. 258,12,81,520/- divided into 25,81,28,152 equity shares of Rs. 10/- each to Rs. 258,92,51,520/- divided into 25,89,25,152 equity shares of Rs. 10/- each.

**PREFERENCE SHARE CAPITAL**

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

The Company did not 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 are entitled for voting rights of approx. 8.81% on the total voting capital of the Company. The Company has also not paid dividend on 2008 Preference Shares but the Company has a letter dated August 20, 2012 from then holder of these shares irrevocably and unconditionally waiving off the voting rights on 2008 Preference Shares.

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 matter is sub-judice.





## 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 REQUIREMENTS

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. In terms of the RBI Notification dated August 13, 2020, the CIC-ND-SI will henceforth be termed as Core Investment Company. 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 Core Investment Company, the Company is required to –

- a. 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
- b. 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, 2020.

## 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, the Committee granted 17,225,000 stock options under the “Religare Enterprises Limited Employees Stock Option Plan 2019” and further 11,500,000 stock options were granted after the close of the FY 2020 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 Plan 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>

<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.



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 (AGM) of the Company for inspection by the members.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

All Independent Directors (IDs) have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI LODR Regulations. All the IDs of the Company have registered their names with the data bank of IDs maintained by the Institute of Corporate Affairs (ICA). Further, in terms of Regulation 25(8) of the SEBI LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation which exist or may be anticipated, that could impair or impact their ability to discharge their duties. Further, in the opinion of the Board, Independent Directors qualify the criteria of Independent Director as mentioned in the Act and SEBI LODR Regulations and are independent of the management.

Further, all the Directors of the Company have confirmed that they satisfy the “fit & proper” criteria as prescribed in the Directors Fit & Proper Policy of the Company.

Following changes occurred in the directorships / key managerial positions (KMP) of the Company during the FY 2019-20:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Particulars of Change (Appointment / Resignation/Others)</b>	<b>Effective Date of change</b>
1	Dr. Rashmi Saluja	Designated as Non-Executive Independent Chairperson of the Company	June 19, 2019
		Designated as Executive Chairperson & KMP of the Company on receipt of approval of the RBI	February 26, 2020
2	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 Non-Independent Vice Chairperson of the Company	August 08, 2019
3.	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
4.	Mr. Milind Narendra Patel	Resigned as Group CEO and ceased to be KMP	July 19, 2019
5.	Mr. Ashish Tyagi	Appointed as Interim CFO and designated as KMP	August 08, 2019
		Resigned as Interim CFO and ceased to be KMP	September 09, 2019
6	Mr. Nitin Aggarwal	Appointed as Group CFO and designated as KMP	September 09, 2019

No Independent Director was appointed or resigned during the year.

In terms of Section 203 of the Act, following are the KMPs of the Company as on March 31, 2020:

1. Dr. Rashmi Saluja, Executive Chairperson
2. Mr. Nitin Aggarwal, Group Chief Financial Officer
3. Ms. Reena Jayara, Company Secretary

In accordance with the provisions of the Companies Act, 2013 and Regulation 36 of the Listing Regulations, Mr. Siddharth Dinesh Mehta (DIN: 02665407), retires at the ensuing Annual General Meeting (AGM), and being eligible offers himself for re-appointment. The brief resume and other details relating to the director, who is to be 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 the ensuing AGM. The Board of Directors recommend the re-appointment of the Director liable to retire by rotation at the ensuing AGM.



## 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 July 27 & July 28, 2020 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 which forms integral part of this 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 has been cascaded across all Group entities.

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

## AWARDS & RATINGS

Following awards and recognitions were received by the subsidiaries of the Company during the period under review –

### AWARDS

- **Care Health Insurance Limited (formerly Religare Health Insurance Company Limited):**
  - i. Adjudged the 'Best Health Insurance Company' at the Emerging Asia Insurance Awards, 2019.
  - ii. Conferred the 'Best Medical/Health Insurance Product Award' at the FICCI Healthcare Excellence Awards, 2019.
- **Religare Broking Limited:**
  - i. NSE Market Achievers Awards 2019- Regional Retail Member of the Year- North – 2019
- **Religare Commodities Limited:**
  - i. Best Broking House – Bullion by MCX – 2019
- **Religare Finvest Limited**
  - i. National Best Employer Brand- 2019, awarded by the ET Now World HRD Congress.



## **RATINGS**

The Company had no ratings during the year under review as there were no outstanding facility(ies) which requires the Company to have any rating.

## **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 2020-21 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 form part of the Annual Report.

Though, the Company 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.

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 Rs. 1.08 Lakhs (previous year: Rs. 43.86 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, 2020, the applicable accounting standards have been followed alongwith 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 high standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India.

A detailed report on Corporate Governance alongwith 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 and a certificate from a Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Board / Ministry of Corporate Affairs or any such statutory authority 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 the Annual Report. There is no qualification in the Auditors Report on the standalone financial statements for the financial year ended March 31, 2020. The Management response on the Statutory Auditors' Qualifications on the Company's consolidated financial statements for the financial year ended March 31, 2020 is as below.

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

- 1. Qualification pertaining to Lakshmi Vilas Bank adjusting the fixed deposits of Religare Finvest Ltd., subsidiary of the Company (RFL):** RFL had filed a suit before the Hon'ble Delhi High Court for recovery of amounts misappropriated by the Lakshmi Vilas Bank ("LVB") placed as Fixed Deposits with it on May 31, 2018. The Hon'ble High Court has reserved order on the interim application filed by RFL maintaining status quo order qua the FDs on April 12, 2019.

Thereafter, RFL has filed application for amendment of pleadings on which notice is issued to LVB and LVB has filed reply to the same. Order on Interim Application is reserved by the Hon'ble Court. RFL has also filed a criminal complaint on May 15, 2019 before the Economic Offence Wing (EOW) and an FIR has been registered. EOW has filed its charge sheet before the Ld. CMM, Saket on March 23, 2020. Also, the Enforcement Directorate has lodged an ECIR on the basis of the FIR. As per the Company estimates and understanding, the Company has rightly classified the reported balance under the fixed deposit and amount is fully recoverable.

- 2. Qualification pertaining to Corporate Loan Book of Religare Finvest Ltd., subsidiary of the Company (RFL):** RFL has an exposure of Rs 203,670 Lakhs as at March 31, 2020 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 Rs. 203,670 Lakhs as at March 31, 2020 against this portfolio and no further provisioning is required.

Insolvency proceedings have been initiated before the NCLT Delhi and Kolkata against the borrowers forming a part of the Corporate Loan Book. RFL has not made provision of Rs 2,202.45 Lakhs since NCD's are backed by non-disposal undertaking of shares of listed entity

RFL had also filed a criminal complaint before the EOW, Delhi, on which an F.I.R. has been registered and is under investigation. The Zonal Office of Enforcement Directorate has lodged an enforcement case under the Prevention of Money Laundering Act on the basis of said FIR. The EOW arrested five accused persons. EOW and ED have filed charge sheet against the accused persons. However, the investigation is still on going and the investigation agencies may file supplementary charge sheet at a later stage. RFL is actively pursuing the recovery steps in the matter and is hopeful of recoveries.

- 3. Qualification pertaining to sale of GNPA of Rs. 3,038.13 lakhs for a value of Rs. 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 was concluded within the RBI framework 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 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 have been recognized accordingly in its books.

Further, RHDFCL had obtained third party opinion, which is also supporting the accounting treatment for derecognition of the loan portfolio and recognition of security receipts as Investments as per the applicable provisions of Ind AS particularly Ind AS-109, Financial Statements.



## **Management's response on the Statutory Auditors' Qualification 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 earlier 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.

## **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, 2020, is annexed to this Report. Management comments on qualifications given by auditors in the report are as follows:

- (a) Vacancy in the office of the Key Managerial Personnel (KMP) after cessation of Mr. Milind Narendra Patel:** The Company took required steps for appointment of KMP within the prescribed timelines. After cessation of Mr. Milind Narendra Patel as Group CEO on July 19, 2019 the Company was required to fill the vacancy by January 18, 2020. Accordingly the Board of Directors of the Company in its meeting held on December 10, 2019 had approved, subject to requisite approvals, to re-designate Dr. Rashmi Saluja (then Non-Executive Independent Chairperson) as Executive Chairperson of the Company. However, the Company, being a Core Investment Company, the said appointment was subject to the prior approval of the Reserve Bank of India ("RBI") due to applicable RBI guidelines on the Company. In the matter, RBI on February 26, 2020, approved the appointment of Dr. Rashmi Saluja as Non-Independent Director of the Company and consequently the appointment of Dr. Rashmi Saluja as Executive Chairperson and KMP of Company became effective on February 26, 2020.
- (b) Levy of Fine of Rs. 1,71,100/- by NSE & BSE each for not having minimum six (6) board members:** The Company had appointed three (3) Non-Independent Directors i.e. Mr. Siddharth Dinesh Mehta, Mr. Ashok Mehta and Mr. Ashwani Mehta from the period February 2018 to November 2018 to ensure compliance of applicable laws and regulations. However, the Company being a Core Investment Company, the said appointments were subject to the prior approval of the RBI due to applicable RBI guidelines on the Company. The RBI approval was received for appointment of Mr. Siddharth Mehta in July 2019 which resulted a delay in formal appointment of new Director by 17 months. The Company has requested the exchanges to waive off the fine on the above ground that the delay resulted due to receipt of approval of RBI after a long time. The Company's response to BSE was taken on record by BSE and no further response was received. However, the fine was deposited to NSE. NSE has communicated that the Company's request to waive off the fine shall be considered by them.
- (c) Delay in publication of financial results in the newspapers for the quarter ended September 30, 2019:** The Board Meeting for approvals of financial results for the quarter ended September 30, 2019 was held on Friday, November 08, 2019 and concluded late in the evening. Due to which the Company missed the deadline for sending the content for publication of results to the agency to enable publication of next day (i.e. Saturday, November 10, 2019). The day following was Sunday on which one of the newspapers (Mint) in which publication to be made was not available for publication and hence publication was done on Monday, November 11, 2020. The Company will ensure that same is not repeated in future.
- (d) Non-appointment of Designated Director as required under the Master Direction - Know Your Customer (KYC) Direction, 2016 read with Prevention of Money-Laundering Act, 2002:** The Board of the Company did not have any executive member during the financial year 2019-20 till February 26, 2020 when Dr. Rashmi



Saluja got appointed as Executive Chairperson on receipt of RBI approval for her appointment as Non-Independent Director. Accordingly, the Board of Directors of the Company in its meeting held on July 28, 2020, has appointed Dr. Rashmi Saluja as Designated Director.

Further, the secretarial audit reports of material subsidiaries of the Company in FY 2019-20 are annexed to this Annual Report.

## **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, responsible to frame, implement, monitor and periodically review the effectiveness of the risk management plan and make appropriate changes as and when necessary.

The Company is a Core Investment Company and therefore as an investment holding company the management function includes oversight of risk function prevalent to its key operating group companies. The Company has a comprehensive Risk Management framework and overarching Risk Management Policy, which is adopted by each of the key operating subsidiaries while formulating their Risk Policy. Risk Management Policy of the Company identifies the key risk, if any, which may threaten the existence of the Company. Risk Management Policy is aimed at identification, evaluation/assessment, mitigation, monitoring and reporting of identifiable risks and recording of each identified risk along with their mitigation plan. 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) for their respective functional area, 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 as High, Medium and Low categories on the basis of likelihood, impact and velocity.

The testing and evaluation of control environment around Risk Management is integrated with the internal audit conducted by the Internal Auditor. 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 a consolidated dashboard of Risk and Control review outcome is presented to the Risk Management Committee of your Company on periodical basis.

Therefore, the Company has implemented a formal risk management policy and framework. Financial reporting and fraud risks are duly considered in the risk management framework. Risks are mapped with controls and Risk management framework is revisited and revised on the basis of prevailing practice and relevance.

#### **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 Internal Controls of the company encompasses the policies, standard operating procedure manuals, approval/ authorization matrix, circulars/ guidelines, and risk & control matrices adopted by the company for ensuring the orderly and efficient conduct of its business & support functions, adherence to these policies & procedures, 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.

The Company and its key operating subsidiaries have adequate control environment for identification and assessment of applicable risks on a periodical basis. Mitigation plans and controls are documented for each identified risk in the form of policies & procedures and risk & control matrices (RCM). Risks/controls documented in the risk and control matrices are mapped to each of the financial statement line items and financial assertions to ensure availability of mitigation plans and internal financial controls for each of the material balances contained in the financial statements. The Company has prepared separate RCMs for Process Level Controls (PLC) and Entity Level Controls (ELC). Similarly, IT General Controls (ITGC) have also been identified, assessed and documented.

The Company has satisfactory system of periodical monitoring and reporting of internal financial controls. Key policies and procedures including the Risk & Control Matrices are updated on a periodical basis. Management ensures that controls as designed are operating effectively and that lapses are identified and remedied in a timely manner. The monitoring activities are carried out through Control Self-Assessment (CSA) mechanism integrated with the internal audit function, conducted by Internal Auditor, whereby key risks and controls are reviewed on a quarterly basis and dashboard containing results of evaluation of Test of Design (TOD) and Test of Operating Effectiveness (TOE) are presented to the Audit Committee of the Company and its key operating subsidiaries. A half yearly report on TOD/TOE testing is presented to the Risk Management Committee.

The Company and its key operating subsidiaries have an elaborate quarterly internal audit system. The scope and authority of the Internal Audit function is defined in the comprehensive agreement with the internal audit firm, which is reviewed and approved by the Audit Committee of the Company and its respective subsidiaries. To maintain its objectivity and independence, the Internal Auditor firm 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 key 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 internal audit observations and corrective actions thereon, alongwith IFC dashboard, are presented to the Audit Committee on periodical basis.

Therefore, the Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the financial year.

#### **DETAILS OF FRAUD REPORTABLE BY AUDITOR**

During the year under review, neither the statutory auditors nor the secretarial auditors of the Company has disclosed any instance of fraud committed against the Company by its officers or employees required to be disclosed in terms of Section 143(12) of the Act.

#### **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: increased corporate governance and controls, improvement in systems and processes including cost rationalization, enhanced engagement with regulators and retention of critical 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. In line with the business strategy, talent strategy has been focused on employee engagement, providing role elevation opportunities to existing talent and developing 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 Prevention of Sexual Harassment at Workplace 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 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, 2020) and as of date of the report i.e. November 11, 2020.

## **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/-  
**Dr. Rashmi Saluja**  
**Executive Chairperson**  
**DIN: 01715298**

**Place:** New Delhi  
**Date:** November 11, 2020

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

**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.**

Dr. Rashmi Saluja (Member)

Ms. Sabina Vaisoha (Member)

Mr. Sushil Chandra Tripathi (Member)

Mr. Malay Kumar Sinha (Member)

Mr. Siddharth Dinesh Mehta (Member)

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

Loss of Rs. 10,611.13 Lakhs

**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 Rs.)	Amount spent on project or programs: Sub head: 1. Direct expenditure on project or programme; 2. Overhead (Amount in Rs.)	Cumulative expenditure up to the date of reporting (Amount in Rs.)	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 2019-20 as prescribed under Section 135 of the Companies Act, 2013

6. For the year ended March 31, 2020 due to losses during past three years, the Company was not required to spend amount under CSR for FY 2019-20.

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/-

**Dr. Rashmi Saluja**  
Executive Chairperson  
DIN: 01715298

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

Sd/-

**Sabina Vaisoha**  
Chairperson - CSR Committee meeting  
DIN: 00207306

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

Place: New Delhi

Date: September 02, 2020



## 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
Dr. Rashmi Saluja – Executive Chairperson	NA (Appointed 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
Dr. Rashmi Saluja – Executive Chairperson	NA (Appointed during the year)
Mr. Milind Narendra Patel – Group CEO	NA (Exited during the year)
Mr. Gurvinder Singh Juneja - CFO	NA (Exited during the year)
Mr. Ashish Tyagi – Interim CFO	NA (For part of the year)
Mr. Nitin Aggarwal – Group CFO	NA (Appointed during the year)
Ms. Reena Jayara - Company Secretary	36%

- (iii) The percentage increase in the median remuneration of employees in the financial year: **26%**
- (iv) The number of permanent employees on the rolls of company: **34 (as on 31 March'20)**
- (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: **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 51% whereas the average percentage increase in the applicable managerial remuneration for the same financial year was 10% (Most of the managerial personnel either were appointed or exited during the year)**
- (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 (Rs.)	Qualification	Experience (years)	Date of Commencement of Employment	Last Employment
1	Mr. Milind Narendra Patel <sup>1</sup>	51	Group CEO	14,316,305	B. Com, MMS, GRAD CWA	28	7-Aug-18	IL&FS Financial Services Limited
2	Mr. Nitin Aggarwal	44	Group Chief Financial Officer	12,507,370	B.Com, CA	22	09-Sep-19	Religare Broking Limited
3	Mr. Nitya Kishore Sahu	62	Group Head – Compliance	10,894,400	MA (Economics), CAIIB	36	23-Apr-18	Reserve Bank of India
4	Dr. Rashmi Saluja	46	Executive Chairperson	9,185,140	MBBS, MD, LLB, MBA (Finance) PhD	25	26-Feb-20	Self Employed
5	Mr. Saurabh Srivastava <sup>2</sup>	41	EVP - Information Technology	7,290,410	BCA, MCA	18	1-Jan-18	Religare Support Services Limited
6	Mr. Rajesh Sharma	51	Director - Internal Audit*	6,267,191	B.Com, CA	25	1-Jan-18	Religare Support Services Limited
7	Mr. Amarjeet Singh Arora	57	Director - Legal & Recovery*	5,597,760	B.Com,	38	1-Jan-18	Religare Support Services Limited
8	Mr. Gurvinder Singh Juneja <sup>3</sup>	45	Director - Finance Controller & Strategy*	5,553,042	MBA and B Tech	21	1-Jan-18	Religare Support Services Limited
9	Mr. Shalabh Garg	41	VP - Information Technology	5,222,643	BE (Computer Science), PGDBA	15	1-Jan-18	Religare Support Services Limited
10	Mr. Sanjeev Tandon	42	SVP - Finance & Accounts	4,531,436	B.Com, CA, DISA (ICAI), CIFRS (ICAI)	20	1-Jan-18	Religare Support Services Limited

<sup>1</sup> Resigned on June 10, 2019 and ceased to be Group CEO & KMP w.e.f. July 19, 2019

<sup>2</sup> Resigned w.e.f. December 16, 2019

<sup>3</sup> Resigned w.e.f. September 30, 2019

\*Non Board members

- Persons named above are/ were permanent employees of the Company except Mr. Nitya Kishore Sahu whose appointment is for a fixed term of 2 years.
- Remuneration includes salary, allowances, leave encashment, bonus, leave travel concession to employees. In addition, the employees, as per eligibility, are entitled to food voucher, employer's contribution to national pension scheme, 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, 2020
- 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/-  
**Dr. Rashmi Saluja**  
Executive Chairperson  
DIN: 01715298

Place: New Delhi  
Date: November 11, 2020.

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



FORM MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members,  
**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”). The 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. As informed to us, the Company is registered with the Reserve Bank of India (RBI) as a Systemically Important Core Investment Company.

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, 2020, 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, 2020, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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) Based upon the Management Representation wherever required from the Company, we further report that subject to the observations mentioned hereinafter, 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: -
- i. The Reserve Bank of India Act, 1934 to the extent it is applicable to Core Investment Companies (CIC),
  - ii. Master Directions on Core Investment Companies (Reserve Bank) Directions, 2016 (“CIC Directions”),
  - iii. NBFC (Approval of Acquisition or Transfer of Control) Directions, 2015,
  - iv. The Prevention of Money Laundering Act, 2002 read with the rules made thereunder and
  - v. 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.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited read with the SEBI (LODR), 2015.

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/Manager/Chief Executive Officer had been vacant for more than 6 (six) months w.e.f July 20, 2019, when Mr. Milind Narendra Patel ceased to hold office as Chief Executive Officer till February 26, 2020 when Dr. Rashmi Saluja was appointed as an Executive Chairperson of the Company with the approval of RBI.*
2. *That the Board of Directors of the Company had 5 (five) board members till July 30, 2019. As informed to us, a fine of Rs. 1,71,100/- each was imposed on the Company by BSE Limited (“BSE”) and National Stock Exchange Limited (“NSE”). However, the Company had paid the fine to NSE but not paid to BSE on the ground that the Company has made waive off application which is still pending for disposal and nor any further demand has been raised by the BSE as informed by the Company.*
3. *That the Board of Directors of the Company in its meeting held on November 08, 2019 approved the financial results of quarter ended September 30, 2019, which was published in the newspapers with a delay of 1 (one) day i.e. on November 11, 2019.*
4. *That the Company has not appointed a Designated Director as required under the Master Direction - Know Your Customer (KYC) Direction, 2016 read with Prevention of Money-Laundering Act, 2002.*

**We further report that:**

- i. 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.
- ii. 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 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.





iii. Majority decisions were carried through and there were no instances where any director expressing any dissenting views.

**We further noted that** during the FY 2019-20, the IT Strategy Committee had met first time on August 8, 2019 and second meeting was called on February 04, 2020 which was within maximum gap of 6 (six) months between the 2 (two) meetings as required under Master Direction on Information Technology Framework issued by the RBI. However, due to non-availability of quorum, the meeting scheduled on February 4, 2020 was adjourned to February 11, 2020.

**We further report that** during the audit period, following events were occurred having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- i. That the Company has entered into a Share Purchase Agreement on October 01, 2019 with TCG Advisory Services Private Limited or any of its affiliates ("TCG"), for divestment of lending business under Religare Finvest Limited ("RFL") and Religare Housing Development Finance Corporation Limited ("RHDFC"), subject to various regulatory, statutory, legal, governmental and other approvals. However, RBI vide its letter dated March 20, 2020 informed that the request for seeking approval of acquisition of RFL by TCG cannot be acceded. Consequently, RHDFC has requested RBI to kindly treat RHDFCL application seeking change in control/management as withdrawn and accordingly, National Housing Bank (NHB) was also updated about this withdrawal of application from RBI.
- ii. That the Company has informed that upon approval of shareholders of the Company, the Company had applied to Stock exchanges for the Re-classification of Promoters and Promoters Group into Public Shareholders category on January 16, 2019. The Company had then submitted the application dated April 15, 2019 with SEBI seeking for an exemption from strict application of one of the conditions mentioned. However, the Stock Exchanges have advised the Company to re-initiate the process of Re-classification again under the amended provisions of Clause 31A of the SEBI (LODR), 2015 based on the request letters dated June 07, 2018 and August 08, 2018 earlier received from Promoters/Promoters Group. Accordingly, the Board of Directors on April 11, 2020 approved the re-initiation of the process of Re-classification of Promoters and Promoter Group into public shareholder category and shareholders' approval is also obtained on July 23, 2020. The requisite Application has been submitted to the stock exchanges on July 31, 2020.
- iii. That in the matter of pending dispute with Axis Bank Limited, the Company has informed the stock exchanges that the Hon'ble Debt Recovery Tribunal has inter-alia passed the following directions in its order dated July 13, 2020:
  - a) The Application filed by the Axis Bank is allowed and the Company/REL, Religare Capital Markets Ltd (RCML) and Religare Capital Markets International (Mauritius) Ltd (RCMIML) are deleted from the array of parties in view of full and final settlement.
  - b) Interim orders passed on March 21, 2018 and August 26, 2019 against REL, RCML and RCMIML stand vacated.
  - c) Interim applications filed by REL, RCML and RCMIML, which were pending stand disposed off as infructuous.
- iv. That the Company has entered into Share Subscription and Share Purchase Agreement and Shareholders Agreement on February 06, 2020 with M/s. Kedaara Capital Fund II LLP and M/s Trishikar Ventures LLP (Jointly referred as "Kedaara") for:
  - a. Sale of part of the investment in Religare Health Insurance Company Limited (now known as Care Health Insurance Limited) ('Care Health'), a subsidiary company for a consideration aggregating to Rs. 200 crores, and
  - b. Primary capital infusion of Rs. 200 crores in Care Health by Kedaara.

Pursuant to the above transactions, the Company has divested on June 02, 2020 part of its stake in Care Health. The Company currently holds 71.84% stake in Care Health.

- v. That the Company has entered into Share Purchase Agreements ("SPA") on February 11, 2020 for acquisition of 3,76,41,204 equity shares of Religare Finvest Limited ("RFL") constituting 14.36% shareholding of RFL owned by private equity investors i.e. Resurgence PE Investments Limited and NYLIM Jacob Ballas India Fund III, LLC. Pursuant to consummation of transaction, RFL has become wholly owned subsidiary of the Company.
- vi. That the Company has filed a petition before Hon'ble National Company Law Tribunal, New Delhi Bench ("NCLT") on June 14, 2019 seeking rectification of Register of Members of the Company by cancellation of 0.01% 25,000,000 Preference Shares ("Preference Shares") issued on August 30, 2016 to RHC Finance Private Limited, a Promoter Group Company. Also, the Company has sought interim relief with respect to suspension of voting rights and dividend rights attached to the said Preference shares. The matter is still pending before the NCLT.



- vii. That the Board of Directors in its Meeting held on December 18, 2019 approved the Scheme of Merger / Amalgamation of 4 (four) direct/indirect wholly owned subsidiaries of the Company, namely Religare Comtrade Limited, Religare Insurance Limited, Religare Advisors Limited and Religare Business Solutions Limited with/into the Company. As informed to us, the filing of the Scheme has been delayed due to the lockdown situation on account of COVID-19 pandemic outbreak and will be filed in due course of time.
- viii. That the SEBI vide Order No. WTM/GM/IVD/100/2018 -19 dated March 14, 2019 passed an ad interim ex – parte order read with corrigendum dated April 18, 2019 (together referred to as 'Interim Order') and issued various directions in the aforesaid order. Further, in the same matter, SEBI vide order No. WTM/GM/IVD/34/2019-20 dated September 11, 2019, mentioned that the detailed investigation in the matter is still in progress which is supposed to reveal all the layers of the alleged fraud as well as expose the specific role of each entity.

In view of the foregoing, in order to protect the interest of the investors and the integrity of the securities market, in exercise of the powers conferred by virtue of Section 19 read with sections 11(1), 11(4)(d) and 11B of the SEBI Act, 1992, SEBI confirmed the directions issued vide the Interim Order, and inter-alia, issued following directions:

- a. REL and RFL (i.e. Noticee nos. 1 & 2) shall continue with the steps to recall the loans, amounting to Rs. 2065.09 Crores (approx.), extended, either directly or indirectly, to the Noticee nos. 5 to 17 and 19 to 25 (viz. 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, 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.
- b. The Noticee nos. 5 to 17 and 19 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 directions contained in para 10(ii) of the Interim Order in respect of the Noticee no. 4 (Bharat Road Network Limited) and the Noticee no. 18 (Religare Comtrade Limited) stand revoked.
- d. 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 investigation in the above stated matter is still in progress.

### **Limitations**

*It is to be noted that due to lockdown and social distancing guidelines being issued by the Ministry of Home Affairs (MHA) on different dates vide various orders since late March 2020 for containment of spread of Covid-19, the documents, registers, forms, etc. as required for the purpose of this audit have not been physically verified by us as these are being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and have also taken the confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents due to continuous lockdown imposed by the governments.*

**For PI & Associates,  
Company Secretaries**

**Sd/-**

**Nitesh Latwal**

**Partner**

**ACS No.: 32109**

**C P No.: 16276**

**UDIN: A032109B000608234**

**Date:** August 24, 2020

**Place:** New Delhi

*The above 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**

**UDIN: A032109B000608234**

**Date:** August 24, 2020

**Place:** New Delhi



FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members,  
**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. This Company is governed mainly under the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999 ('Insurance Laws') and under the Companies Act, 2013 and rules framed thereunder where there is no inconsistency with the Insurance Laws.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, 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, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, 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 made available to us and maintained by the Company for the financial year ended on March 31, 2020 as mentioned in **Annexure-A and Annexure-B**, 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 audit period*)
- (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 audit period*)
- (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 during the audit period*)
  - 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 to the Company during the audit period*)
  - 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 (*Not applicable to the Company during the audit period*)
- (vi) And the Company being in the business of Insurance other than Life Insurance, the Special Act as applicable to it is the Insurance Act, 1938 and extant Rules & Regulation framed under Insurance Regulatory and Development Authority Act, 1999 (IRDA).



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; (*Not applicable to the Company during the audit period*)

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:**

- I. 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 Companies Act, 2013.
- II. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at 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.
- III. Majority decision were carried through and there were no instances where any director expressing any dissenting views.

**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. The Company issued and allotted 78,69,425 Equity Shares of the Company of face value of Rs. 10 each, on preferential allotment/private placement basis, at a price of Rs. 34.31/- per equity share (including premium of Rs. 24.31) aggregating to Rs. 26,99,99,975.45/- to some HNIs Investors.
- II. The Company has altered its object to include other businesses in existing clause III of Memorandum of Association to undertake, operate and manage IT and enabled services like call centers, customer contact centers, sales support services.
- III. The Company allotted 3,11,14,756 Equity shares of the Company of face value of Rs. 10/- each, on right issue basis for an amount aggregating to Rs. 31,11,47,560/-.
- IV. The Company on February 06, 2020 entered into below stated agreements:
  - a. Shareholder Agreement and Share Subscription and Share Purchase Agreement between M/s. Kedaara Capital Fund II LLP (Investment Parent), M/s Trishikar Ventures LLP (Investors) (Jointly referred as "Kedaara"), M/s. Religare Enterprises Limited and M/s. Religare Health Insurance Company Limited to make investment of around Rs. 200 crores as primarily capital and Rs. 200 crores as secondary transaction with M/s. Religare Enterprises Limited at the current valuation of Rs. 2,758 crores at a price of Rs. 37.89/- per share.
  - b. Share Purchase Agreement between M/s Kedaara Capital Fund II LLP (Investment Parent), M/s. Trishikar Ventures LLP (Investors) (Jointly referred as "Kedaara"), and Mr. Anuj Gulati, Managing Director & CEO of the Company and M/s. Religare Health Insurance Company Limited to sell/transfer 1,66,33,239 Equity Shares to Kedaara by subscribing ESOPs granted to him.
- V. The Company has amended the Religare Health Insurance CEO Stock Option Scheme 2014.
- VI. The members of the Company have approved the name change from "Religare Health Insurance Company Limited" to "Care Health Insurance Limited" for which IRDAI approval has been obtained and it is in process of other legal formalities to obtain the fresh certificate with new name from the registrar of companies.

**For PI & Associates  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner**

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

**UDIN: A032109B000210201**

**Date:** May 07, 2020

**Place:** New Delhi

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



**Under Companies Act, 2013: -**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee and Nomination & Remuneration Committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year ended March 31, 2020 under report.
5. Statutory Registers as per Companies Act 2013.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 149(6) & (7), Section 164 and Section 184 of the Companies Act, 2013.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various Policies framed by the Company required under the Companies Act, 2013 viz. Nomination and Remuneration Policy, Corporate Social Responsibility Policy, Board Evaluation Policy etc.
10. Documents pertaining to Appointment, Resignation of Directors and KMP and approvals received from IRDAI.
11. Other relevant documents as required to be maintained and published on website by the Company.

**Under Insurance Act, 1938 and Insurance Regulatory and Development Authority of India Act (IRDAI) 1999:-**

1. Minutes of Investment Committee, Policyholders Protection Committee, Risk Management Committee required as per IRDAI Corporate Governance Guidelines along with Attendance Register, held during the financial year under report.
2. Deed of Covenants at the time of appointment.
3. Declaration and undertakings from Directors.
4. Compliance / Correspondence with IRDAI i.e. Monthly, Quarterly, Half yearly, Annually etc.
5. Documents pertaining to Appointment of Directors and KMP and approvals received from IRDAI.



“Annexure B”

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 Compliance Certificate 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  
UDIN: A032109B000210201**

**Date:** May 07, 2020

**Place:** New Delhi



**FORM MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration 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. As informed to us, the Company has been registered as Stock Broker, Research Analyst and Depository Participant with the Securities and Exchange Board of India (SEBI) and has also been registered as Corporate Agent with Insurance Regulatory and Development Authority of India (IRDAI).

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, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent 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, 2020, according to the provisions of: -

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. 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)**
- iv. 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)**
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 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; **(applicable to the extent in case of Issuer)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(not applicable)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(not applicable)**
- v. Based upon the Management Representation letter wherever required from the Company and the audit reports as made available to us of the respective auditors appointed under specific Laws/ Regulations/ Rules, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor





and ensure compliances except to the extent qualified by the said auditors with the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:-

- SEBI (Stock Brokers and Sub Brokers) Regulations, 1992
- SEBI (Research Analysts) Regulations, 2014
- SEBI (Depositories and Participants) Regulations, 2018
- IRDAI (Registration of Corporate Agents) Regulations, 2015 and
- Prevention of Money laundering Act, 2002 (PMLA).

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.
- (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, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

- a) 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.
- b) 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.
- c) Majority decision were carried through and there were no instances where any director expressing any dissenting views.

We further report that during the period under review, the stock exchanges namely Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Multi Commodity Exchange (MCE) had respectively levied a nominal penalty on the Company for few of the operational lapses and as confirmed to us, such penalties have been paid to the stock exchange.

**We further report that** during the audit period the Company, in its Extra-Ordinary General Meeting held on August 6<sup>th</sup>, 2019 integrated the Commodity Business of Religare Commodities Limited, wholly owned subsidiary of the Company with itself, through the execution of a business transfer agreement in accordance with the Act.

#### Limitations

*It is to be noted that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates vide orders dated March 29, 2020, April 15, 2020 and May 01, 2020 for containment of spread of Covid-19, the abovementioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents.*

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Partner  
(Ankit Singhi)  
ACS No.: A20642  
C P No: 16274**

**Date: 22/08/2020  
Place: New Delhi**

**UDIN: A020642B000605226**

*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/-  
Partner  
(Ankit Singhi)  
ACS No.: A20642  
C P No: 16274  
Date: 22/08/2020  
Place: New Delhi  
UDIN: A020642B000605226**

Date: 22/08/2020  
Place: New Delhi



**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

To,  
The Members,  
**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. The Company is primarily engaged in the lending business and registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC- ND-SI). The Company also holds the certificate/ registration as (i) distribution of mutual fund products from RBI (ii) Depository Participant with CDSL (iii) Association of Mutual Funds in India (AMFI) and (iv) Corporate Agent (Composite) from the Insurance Regulatory and Development Authority of India (IRDAI). The Non-Convertible Debentures (NCDs) of the Company issued on private placement basis are listed on BSE Limited.

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, 2020, 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, 2020, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 (SEBI (PIT) Regulations, 2015) *(for listed NCDs of the Company)*;
  - 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, 2013;
  - 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 to the extent it is applicable to listed debt.
- (vi) Based upon the Management Representation wherever required from the Company and the audit report as made available to us of the respective auditor appointed under specific any Law/ Regulations, we further report that subject to the observations mentioned hereinafter, 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) The Reserve Bank of India Act, 1934 (RBI Act, 1934) to the extent it is applicable to NBFC;
  - (b) RBI Master Directions - NBFC-ND-SI, 2016;
  - (c) RBI Master Directions - KYC Directions, 2016;
  - (d) RBI's Master Directions-Information Technology Framework for the NBFCs, 2016;
  - (e) RBI's Master Directions - Monitoring of Frauds in NBFCs, 2016
  - (f) RBI's Master Directions - Returns by NBFCs, 2016
  - (g) SEBI (Depository and Participant) Regulations, 2018; and
  - (h) IRDAI (Registration of Corporate Agents) Regulations, 2015.

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.
- II. The Listing Agreements entered into by the Company with the Stock Exchange(s) with respect to its debt listed on private placement basis.

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 Capital to Risk Assets Ratio (CRAR) of the Company as on March 31, 2020 is (-40.82%) which is in breach of the limits of minimum 15% at all time as required under RBI Master Directions on NBFC-ND-SI, 2016.*
2. *That the Net Owned Fund (NOF) of the Company as on March 31, 2020 is Rs. (-120,209.78) Lakhs which is in breach of the requirement of having NOF of Rs. 200 Lakhs at all time in terms of the provisions of RBI Act, 1934 and due to negative Owned Fund as on March 31, 2020 the Company has accordingly exceeded the limits of concentration of lending to a single borrower and any single group of borrowers of 15% and 25% of Owned Fund, respectively. Further, the cumulative mismatches in the ALM Returns filed with the RBI in all buckets have exceeded the limit defined by the RBI.*
3. *That the Company has not appointed the Designated Director in terms of the provisions of Prevention of Money Laundering Act, 2002 read with RBI (Know your Client) Directions, 2016 and the same has been informed to the RBI and FIU that appointment of Designated Director is in process.*



**We further report that:**

- i. That as at the end of the period under review, the Company had only non-executive independent directors and there was no executive director on the board of the Company. Regardless of this fact, the Company is in compliance with the composition of the Board of Directors and its statutory committees thereof as required under the Companies Act, 2013. In our opinion and as informed to us, there has been no changes in the composition of the Board of Directors during the period under review.
- ii. 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 in compliance with the applicable statutory requirements, 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.
- iii. Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report** that during the review period, the IT Strategy Committee had first met first time on August 07<sup>th</sup>, 2019 and second meeting was called on February 4<sup>th</sup>, 2020 which was within maximum gap of 6 months between 2(two) meeting as required under master direction on Information technology framework issued by the RBI. However due to non-availability of quorum, the meeting scheduled on February 04<sup>th</sup>, 2020 was adjourned to February 11<sup>th</sup>, 2020.

**We further report that** during the audit period following events were occurred which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. REL (Holding Company of RFL) entered into a Share Purchase Agreement on October 01, 2019 with TCG Advisory Services Private Limited or any of its affiliates ("TCG"), for divestment of lending business under Religare Finvest Limited ("RFL") subject to various regulatory, statutory, legal, governmental and other approvals. However, RBI vide its letter dated March 20, 2020 to RFL informed that the request for seeking approval of acquisition of RFL by TCG cannot be acceded to.
2. That the Company had filed a Compounding Application with the Registrar of Companies, NCT of Delhi & Haryana under section 441 for default made in the previous financial year under section 203 of the Companies Act, 2013 on February 28<sup>th</sup>, 2020. Consequently, the Regional Director, Northern Region has levied compounding fees on the Company & its officers in default and upon filing of fees, the Company has filed the Compounding orders with the Registrar of Companies.
3. That the Company had made defaults in the repayment of its obligations towards its lenders (other than NCD holders) and an amount of Rs.1,77,121.48 lakhs were overdue as on March 31<sup>st</sup>, 2020.
4. That the Company has been placed under the Corrective Action Plan ("CAP") by the RBI which inter-alia prohibits it from the expansion of credit/investment portfolios other than investment in Government Securities and advises the Company to not to pay dividend. As informed to us, the Company is taking necessary corrective actions and making all efforts to come out of the CAP imposed by the RBI. Further, the Company vide its general meeting of its shareholders on February 25<sup>th</sup>, 2020 sought approval from the shareholders for debt resolution plan of the Company. Further the Company in terms of RBI Circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 has already proposed its revised debt restructuring plan to the lenders to realign its debt with cash flows subject to the lenders' approval and is working towards revival of the Company.
5. That the Company had received a show cause notice from the SEBI in the matter of Deccan Chronicle Holdings Limited dated December 31<sup>st</sup>, 2019 for inadvertent non-filing of disclosures under Regulation 13(1) of the SEBI (PIT) Regulations, 2015 and Regulation 29(4) of the SEBI (SAST) Regulations, 2011 in the year 2012. Consequently, Board of the Company has decided to settle the matter amicably with the SEBI and accordingly, the Company has filed a settlement application vide dated March 11<sup>th</sup>, 2020 with the SEBI. As informed to us, the Company has filed the revised settlement terms with SEBI on August 20, 2020 and the same is pending before SEBI as on date of this Report.
6. That the SEBI had passed an ad-interim ex-parte order on October 17, 2018 ("Order") in relation to Fortis Healthcare



Limited which inter-alia includes directions to the Company (RFL) to pay Rs. 200 crores to Fortis Healthcare Limited. Further, the SEBI vide another confirmatory order dated March 19th, 2019 had continued the same conditions/ restrictions as mentioned in the original Order i.e. not to dispose of or alienate any of the assets or divert any funds except for repayment of funds. Thereafter, the Company had filed an appeal against the said Order and confirmatory Order before Securities Appellate Tribunal (SAT) and the SAT recorded that “we find that prima-facie, there appears to be a contradiction in the Impugned order dated October 17, 2018 and subsequent order passed by the Whole Time in another matter dated March 14, 2019”.

The SAT has passed an Order dated January 29<sup>th</sup>, 2020 quashing and setting aside the SEBI Order qua RFL. The SAT has remitted the matter to Whole-time Member of SEBI for passing fresh order, if they so desire after giving an opportunity of hearing to the Company. The matter is pending before SEBI as on date of this Report.

7. As informed to us, the Company filed a suit for recovery for an amount of Rs. 800 crore approximately which was misappropriated by the Lakshmi Vilas Bank (LVB) on the account of illegal liquidation of Fixed Deposits placed with it. The said suit was filed in May, 2018 before the Hon'ble Delhi High Court. However, during the year ended March 31<sup>st</sup>, 2020, the Company had filed an application for amendment of its original suit stating that the appropriations of FDs by LVB was illegal as LVB had colluded and conspired with the old promoters and Ex Directors and two other entities. In the said suit State Bank of India (SBI) has also preferred an application for intervention which is pending adjudication.

The Company has also filed a criminal complaint before the Economic Offences Wing (EOW), Delhi. As Explained, the EOW has filed its charge sheet against senior LVB officials in this matter and Enforcement Directorate has lodged an ECIR on the basis of FIR.

8. That Strategic Credit Capital Private Limited (SCCPL) had applied for a loan of 350 crore from LVB which was sanctioned but not disbursed. SCCPL had filed a suit for specific performance against LVB and also made Religare Enterprises Limited (REL/ holding company) and the Company (RFL) parties claiming various reliefs and making false claims. REL/RFL had filed application u/s 340 of Indian Penal Code, 1860(IPC) and the suit was being argued on maintainability. SCCPL moved an application u/o39 R-1/2 of CPC seeking injunction against REL & RFL, restraining them from selling their business. The said application was disposed of in terms of order dated February 22, 2018 i.e. status quo on brand. Loancore Servicing Solutions Pvt. Ltd had filed substitution on behalf of SCCPL by way of assignment deed. Matter is now listed for arguments on all pending applications on October 8, 2020.

The Company had filed Complaint for offences of cheating, misappropriation, forgery, criminal breach of trust, and criminal conspiracy against SCCPL and its associate entities & individuals with P.S. EOW on August 06, 2019 bearing Diary No. D-6689. The same has been assigned to the Investigation Officer and is pending for inquiry.

9. That SCCPL and its associate companies have filed a suit seeking relief inter alia in the nature of specific performance of part of the Settlement Agreement entered into between RFL and the Petitioners in July 2017. The petitioners are seeking discharge of their obligations under the said Settlement Agreement. The Company had filed applications for the rejection of plaint, extension of time for filing written statement and for examination of documents and seeking responses to questions.

SCCPL and its associate companies have filed replies to the applications filed by the Company. The Court has given liberty to the Company to file rejoinder, if any. SCCPL has recently filed two applications 1) seeking injunctive orders qua the investigating agency (EOW) (under order 39 rule 1&2 CPC) to which the Company has to file its reply & 2) application for amendment of plaint (under order 6 rule 17 CPC) to which reply has already been filed by the Company. The matter was last heard on August 20<sup>th</sup>, 2020 for concluding arguments on this matter.

10. That the Company has received a show cause notice from Central Depository Services Ltd (CDSL) for termination of agreement as a depository participant dated January 10<sup>th</sup>, 2020 for non-complying with the net worth requirements under SEBI (Depository and Participants) Regulations, 2018. The Company had already filed an intention letter with CDSL in September, 2019 for surrender of license with CDSL as a depository participant. Consequently, the Company vide its letter dated 28<sup>th</sup> January 2020 has applied for surrender of license with CDSL and the application is in pending for disposal at the end of the CDSL.



### **Limitations**

*It is to be noted that due to lockdown and social distancing guidelines being issued by the Ministry of Home Affairs (MHA) on different dates vide various orders since late March 2020 for containment of spread of Covid-19, the documents, registers, forms, etc. as required for the purpose of this audit have not been physically verified by us as these are being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and have also taken the confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents due to continuous lockdown imposed by the governments.*

**For PI & Associates,  
Company Secretaries**

**Sd/-  
Nitesh Latwal  
Partner**

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

**Date: August 27, 2020**

**Place: New Delhi**

UDIN: A032109B000622424

*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 27, 2020**

**Place: New Delhi**

UDIN: A032109B000622424



**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

To,  
The Members,  
**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/ RHDFCL”). The 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. It is also noted that the Company is a Housing Finance Company (HFC) registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987.

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, 2020, 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, 2020, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *(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) Based upon the Management Representation wherever required from the Company, we further report that subject to the observations mentioned hereinafter, 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: -
- 1) The National Housing Bank Act, 1987;
  - 2) The Housing Finance Companies (NHB) Directions, 2010;
  - 3) Master Circular on Fair Practice Code for Housing Finance Companies;
  - 4) Master Circular- Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016;
  - 5) Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016;
  - 6) Master Circular- Miscellaneous Instructions to all Housing Finance Companies;
  - 7) Guidelines on IT Strategy Framework; and
  - 8) Master Circular on Know Your Customer (KYC) Directions, 2016 by RBI extended to all Housing finance Companies read with Prevention of Money Laundering Act, 2002 (PMLA).

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.
- (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 Mr. Sanjay Dattatray Palve ceased to be a designated director under PMLA after his cessation as a Managing Director (MD) of the Company w.e.f. March 03, 2020. As at the end of the period under review and as on the date of this report, the Company does not have any designated director under PMLA.*

**We further report that:**

- i. During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors however, it is noted that the Company had two Independent Directors at the beginning of the period i.e. Mr. Malay Kumar Sinha and Dr. Rashmi Saluja and w.e.f February 26, 2020, Dr. Rashmi Saluja ceased to be an independent director under the Companies Act, 2013 and became Non-Independent Director. The Company had made an application to the National Housing Bank for approval of change in designation of Dr. Rashmi Saluja from Independent to Non-Independent, which was acceded on June 24, 2020. Accordingly, during the period between February 26, 2020 till March 31, 2020, there was only one independent director on the Board but the last date to appoint the Independent Director was beyond the period of review. The other 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.
- ii. 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.



- iii. 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** during the review period, the IT Strategy Committee had first met on August 07<sup>th</sup>, 2019 and the second meeting was called on February 04<sup>th</sup>, 2020, which was within the maximum gap of 6 (six) months between the 2(two) meetings as required under Information Technology framework via circular issued by NHB namely NHB/ND/DR5/ Policy Circular No.90/2017-18 dated June 15<sup>th</sup>, 2018. However, due to non-availability of quorum, the meeting scheduled on February 04<sup>th</sup>, 2020 was adjourned to February 11<sup>th</sup>, 2020.

**We further report that** during the audit period following event(s) occurred during the year which have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred to above

- i. That the Company had filed an application to NHB on November 04, 2019 towards seeking approval for the proposed acquisition of indirect control of the Company by TCG Advisory Services Private Limited ("TCG") as a result of acquisition of shares of Religare Finvest Limited ("RFL- Holding Company) from Religare Enterprises Limited ("REL- The ultimate holding company") as well as the consequential change in the management of the Company subject to the approval of Reserve Bank of India (RBI).

In this connection RBI vide its letter dated March 20<sup>th</sup>, 2020 addressed to RFL that the request seeking approval of acquisition of RFL by TCG from REL cannot be acceded to. Accordingly, the Company has also withdrawn its application from NHB/ RBI.

- ii. That the Company had filed a compounding application with the Registrar of Companies, NCT of Delhi & Haryana under section 441 for default made in the previous financial year under section 203 of the Companies Act, 2013. In this regard, the Regional Director, northern region has levied a compounding fees on the Company & its officers in default and upon filing of fees, the Company has obtained the Compounding order on August 06<sup>th</sup>, 2020 and the same has also been filed with the Registrar of Companies on August 13, 2020.

#### Limitations

*It is to be noted that due to lockdown and social distancing guidelines being issued by the Ministry of Home Affairs (MHA) on different dates vide various orders since late March 2020 for containment of spread of Covid-19, the documents, registers, forms, etc. as required for the purpose of this audit have not been physically verified by us as these are being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and have also taken the confirmation from the Company, wherever required but the audit was done subject to limitation of availability of documents due to continuous lockdown imposed by the governments.*

**For PI & Associates,  
Company Secretaries**

**Sd/-**

**Partner**

**(Ankit Singhi)**

**ACS No: A20642**

**C P No: 16274**

**UDIN: A020642B000607096**

**Date: August 24, 2020**

**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/-  
Partner  
(Ankit Singhi)  
ACS No: A20642  
C P No: 16274  
UDIN: A020642B000607096**

**Date: August 24, 2020  
Place: New Delhi**



**Religare Enterprises Limited  
Business Responsibility Report-2020**

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

Corporate Identity Number(CIN) of the Company	L74899DL1984PLC146935
Name of the Company	Religare Enterprises Limited
Registered address	2nd Floor, Rajlok Building, 24, Nehru Place, New Delhi – 110019 (Refer Note below)
Website	www.religare.com
E-mail id	investorservices@religare.com
Financial Year reported	2019-20
Sector(s) that the Company is engaged in	Investment activity (NIC Code – 64200)
List three key products/services that the Company manufactures/provides (as in balance sheet)	Investment activity (NIC Code – 64200) Support Services ( NIC Code – 78300)
Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations	Nil
(b) Number of National Locations	Three offices (Delhi -2 and Noida -1)
Markets served by the Company	India

*Note: The Registered Office of the Company shifted to 1st Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi – 110001 w.e.f. May 13, 2020*

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

Paid up Capital (INR)	2,581,281,520
Total Turnover (INR)	605,894,461.01
Total profit after taxes (INR)	(3,101,632,976.82)
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Annual Report on CSR activities
List of activities in which expenditure in 4 above has been incurred	Refer Annual Report on CSR activities

**SECTION C: OTHER DETAILS**

Does the Company have any Subsidiary Company/ Companies?	Yes (25 direct and indirect subsidiaries)
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	In general, the Company’s approach is to develop and adopt policies relating to BR at the Group level, which are adopted and implemented by all Indian subsidiaries to the extent relevant. As such, all Indian subsidiaries with operating businesses directly or indirectly participate in the BR initiatives of the Company.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No



## SECTION D: BR INFORMATION

### Details of Director/Directors responsible for BR

<b>(a) Details of the Director/Directors responsible for implementation of the BR policy/policies</b>	
1. DIN Number	01715298
2. Name	Dr. Rashmi Saluja
3. Designation	Executive Chairperson
<b>(b) Details of the BR head</b>	
1. DIN Number (if applicable)	Not Applicable
2. Name	Mr. Nitin Aggarwal
3. Designation	Group Chief Financial Officer
4. Telephone number	0120-633 6588
5. e-mail id	Nitin.aggarwal@religare.com

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

Principle 1 (P1)	Businesses should conduct and govern themselves with ethics, transparency and accountability
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3 (P3)	Businesses should promote the well being of all employees
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5 (P5)	Businesses should respect and promote human rights
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8 (P8)	Businesses should support inclusive growth and equitable development
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	N.A	Y	Y	N*	Y	Y	Y	N.A
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	Y	Y	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	-	-	-	-
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	-	Y	Y	Y	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	-	Y	Y	Y	-
6	Indicate the link for the policy to be viewed online?	Relevant policies and code of conduct are available on our website <a href="http://www.religare.com">www.religare.com</a>								



No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal and external stakeholders and it is an ongoing process.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	-	Y	Y	-	Y	Y	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	-	Y	Y	Y	-
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	-	Y	Y	Y	-

\* The Company is dedicated to uphold the human rights of all its employees and it strictly ensures compliance with all applicable laws of the land pertaining to human rights. The Company did not receive any complaint relating to violation of human rights during the year 2019-20.

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	√	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)									
	The Company is a holding and investment company and is not involved in any manufacturing activity or services under the purview of BRR.	-	√	-	-	-	-	-	-	-
	The Company being a holding and investment company does not have any direct customers under the scope of the BRR	-	-	-	-	-	-	-	-	√

### 3. Governance related to BR

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

The Board and Board Committees assess the BR performance of the Company on a periodic basis. Currently its assessed more than 1 year ago.

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

Starting from 2016-17, the Company publishes the information on BR which forms part of the Annual report of the Company. The Annual report is available on the website of the Company at [www.religare.com](http://www.religare.com). However, since the Company was not falling in the list of top 500 companies as per market capitalization as on March 31, 2019, the BR Report for the year 2019 was not published by the Company.



## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Whistleblower policy covers all the stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder's Complaints			
Complaints	No of Complaints received	No. of Complaints resolved	% of complaints resolved
Shareholders Complaints	12	12	100%

### Principle 2 : Not Applicable

The Company is a holding and investment company and is not involved in any manufacturing activity or services under the purview of BRR.

### Principle 3

- Please indicate the Total number of employees : 34
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: Nil
- Please indicate the Number of permanent women employees. : 9
- Please indicate the Number of permanent employees with disabilities : Nil
- Do you have an employee association that is recognized by management. : No
- What percentage of your permanent employees is members of this recognized employee association? NA
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

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

- Permanent Employees - None
- Permanent Women Employees - NA
- Casual/Temporary/Contractual Employees - NA
- Employees with Disabilities - NA



#### Principle 4

1. **Has the company mapped its internal and external stakeholders?** : Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.:**  
Yes
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**  
Yes, We have a Group CSR policy which targets the underprivileged and marginalized sections of the society.

#### Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**  
The Company does not have a policy on human rights. However, the Company is dedicated to uphold the human rights of all its employees and it strictly ensures compliance with all applicable laws of the land pertaining to human rights.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**  
The Company did not receive any complaint relating to violation of human rights during the year 2019-20.

#### Principle 6

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

Social and Environmental Management Policy of the Company extends to subsidiaries of the Company, wherever applicable.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**  
The Company continually endeavors to ensure effective social & environmental management practices in all its activities, products and services as per Social and Environmental Management Policy
3. **Does the company identify and assess potential environmental risks? Y/N**  
Yes
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**  
No
5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**  
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.
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**  
Not applicable
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**  
Not Applicable





### Principle 7

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

No

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Not Applicable

### Principle 8

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

The Company has adopted a Group CSR Policy which seeks to create significant social impact and promote inclusive growth. However, during FY2019-20, the Company was not required to undertake any CSR initiatives due to absence of average profits based on the previous three years' financial performance.

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

The Company's approach has been to partner with organisations that have the relevant experience and expertise in implementing community welfare and development programmes to maximise the societal impact from CSR spend.

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

Not Applicable

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

Nil – as the Company was not required to undertake any CSR initiatives. Refer to the Annual Report on CSR activities for further information

### Principle 9 : Not Applicable

The Company being a holding and investment company does not have any direct customers under the scope of the BRR



## 1. MACROECONOMIC DEVELOPMENT & INDUSTRY OVERVIEW

### Macroeconomic Developments

#### Growth of Indian Economy

The Indian economy grew at 4.2% in Financial Year 2019-20 (FY20), significantly lower than the 6.1% registered in Financial Year 2018-19 (FY19), due to general slowdown in demand witnessed from the start of the financial year and COVID-19 pandemic further adversely impacted the economic activity in the last month of the fiscal year. The full-year GDP growth is the lowest that India has registered in 11 years. There were nascent signs of acceleration of growth in India before the pandemic hit in March and consequently the GDP grew at 3.1% in the last quarter as against 5.7% in the corresponding period, last year.

	FY 2017	FY 2018	FY 2019	FY 2020
<b>GDP Growth</b>	8.3%	7.0%	6.1%	4.2%
<b>GVA Growth</b>	8.0%	6.6%	6.0%	3.9%

Source: Government of India, CSO. As per revised and provisional estimate available

For the full year, data from the Central Statistics Office showed that while agriculture grew at 4% but manufacturing growth was stagnant at 0.03%. Growth in private final consumption decelerated to 5.3% from 7.2% a year ago, while government final consumption grew at 11.8 % as against 10.1 % in the previous year.

Gross fixed capital formation, a key measure of investment demand in the economy, contracted by 2.1% in 2019-20. Exports and imports also contracted by 3.6% and 6.8% respectively. Nominal GDP growth for the full year also slowed to 7.2 % as against 11% growth the previous year.

#### Impact of COVID-19

The unprecedented pandemic crisis of COVID-19 and resultant lockdowns have given a massive shock to economies world over. In India more than 2 months of nationwide lockdowns resulted in massive GDP contraction of 23.9% in first quarter of the Financial Year 2020-21 (FY21). However over the second quarter of FY21 a lot of economic activity has normalized and in many sectors economic activity has reached upto 90% of pre-Covid level. The International Monetary Fund (IMF) has projected that the GDP of the Indian economy would contract by 4.5% in the calendar year 2020. The recovery in the Financial Year 2021-22 (FY22) is expected to be sharp and IMF projects that India's GDP will grow by 6% in calendar year 2021.

#### Macroeconomic Outlook

Economic conditions shall remain challenging in FY21, considering the uncertainties with regard to the impact of the global health crisis and the stand-still in economic activity in first quarter of FY21. While systemic liquidity is abundant, the economic weakness caused by the pandemic and its effects on labour market, will impact banking sector loan growth, revenues, margins, asset quality and credit costs. Though the health crisis is far from over, the infection levels have started reducing in India from mid-September 2020. Given, currently in October, a new wave and surge in infections levels is seen in western economies especially in Europe, USA and Russia, it is early to predict that pandemic has reasonably peaked out in India also. Hence it is safe to assume that overall economic activity will fully pick up to pre-Covid levels by the end of FY21. Due to the impact of pandemic, consumer and economic slowdown is visible but the severity and timespan of the downturn will depend on the spread of COVID 19, continued policies responses to the crisis, adaption & innovation of corporate sector and also on the effective deployment of an effective vaccine for COVID-19. While various vaccines are in final stages of testing, the world is eagerly awaiting for the announcements of approval of adequately tested, safe and effective vaccines, which may be distributed effectively world over. Economists are hopeful that by the first quarter of FY22, a sharp economic recovery may get started.

### Industry Overview- Financial Services

#### NBFC Sector

Non-Banking Financial Companies (NBFCs) play an important role in promoting inclusive growth in the country, by catering to the diverse financial needs of customers not having access to bank finance. The significance of NBFCs in the Indian financial landscape has increased during the past years, with their combined assets expanding from Rs 14.5 lakh crore as on end March 2014 to above Rs 32 lakh crore by the end of September 2019. NBFCs in



India appear to be substituting for direct lending by banks in the non-urban parts of the Indian economy. In recent years, NBFCs have also been a significant source of credit to the Micro, Small and Medium Enterprises (MSMEs) sector, which accounts for about 29% of India's GDP. Further, specialized NBFCs have also played an important role in infrastructure development by providing long term financing to this sector.

Banks are a key source of credit for NBFCs. The Reserve Bank of India's (RBI) regulations providing credit to NBFCs for on-lending to certain specific sectors, eligible for classification as priority sector lending have also incentivized the flow of credit from banks to NBFCs. The reliance of NBFCs on market-based instruments, like Corporate Bonds and Commercial Paper (CPs), to meet their financing needs, has also grown and stands at about 31 % of their total liabilities at the end of December 2019. Mutual funds, especially debt funds, are one of the major investors in market instruments issued by NBFCs: mutual funds account for 61 % of total outstanding commercial papers issued by NBFCs as by the end of march, 2020.

Post IL&FS, however, market financing conditions for NBFCs became challenging. Action in terms of rating downgrades, intensive investor scrutiny and enhanced regulatory oversight were instrumental in bringing about greater market discipline, with the better rated and better performing companies continuing to have relatively easy access to market financing, while those with asset-liability mismatch (ALM) issues and/or asset quality concerns were subjected to higher borrowing costs (Financial Stability Report, RBI, June 2019).

#### **Initiatives launched by the RBI to support NBFCs**

To ease the liquidity and other financial constraints of NBFC sector RBI took the following measures in FY20:

- The RBI increased the exposure limit of banks to a single NBFC to 20% of Tier-I capital from 15%.
- Priority sector classification to loans given by banks to NBFCs for lending to agriculture, MSME and housing to be classified as Priority Sector Lending (PSL).
- Partial Credit Guarantee scheme from Government of India (GOI) created a mechanism whereby GOI will provide partial credit guarantee to banks for the purchase of NBFC assets, amounting to Rs 1 lakh crore during FY20. The guarantee will be on one-time basis for six months for bank's first loss of upto 10%.
- The RBI has allowed banks to risk-weight their exposures to NBFCs based on the respective credit rating thereby easy risk-weight in case of exposure to a well rated NBFC.
- The RBI released guidelines on co-origination of loans by banks and non-deposit taking NBFCs in the priority sector. NBFCs must take a minimum exposure of 20% with the remaining contribution by the participating bank.
- RBI guidelines on securitization allowed NBFCs to securitize loans with maturity of more than 5 years.

Despite above measures, the market financing conditions for NBFCs have again become more challenging in recent times due to COVID-19 related disruptions and developments with risk aversion in the mutual fund sector. Further policy interventions may be needed to ensure flow of funds to credit-worthy NBFCs, especially small and medium-sized ones and to minimize systemic risks.

#### **Impact of COVID19 and Lockdown on financial sector**

The lockdown has affected the cash flow and liquidity position of many borrowers (individuals, small businesses and corporates), impacting their debt-servicing capabilities. The impact would be more prominent in the case of self-employed borrowers, the daily wage workforce, and small businesses (non-essentials). Non-banks largely cater to the self-employed borrower segment in retail space, where the cash flows are expected to be more volatile in the current situation vis-à-vis their salaried counterparts.

NBFCs, which are already facing funding constraints and an expected increase in delinquencies, are likely to focus more on collections, at least in the near term. Therefore, the lack of supplementary credit funding could have a significant negative impact on these borrowers as their cash flow mismatches would compound with the passage of time. Deterioration in the asset quality could further stifle the fund flow to the sector as bank credit to the sector is already high and funding from other sources like mutual funds (MFs), insurance, foreign institutional investor (FIIs), etc., are likely to be quite muted.

#### **Financial sector measures:**

In light of COVID 19 uncertainty, the RBI's monetary policy committee refrained from providing any growth



projections for the first time in its history, citing the huge uncertainties around the pandemic and its impact on various sectors. To get the economy moving, the Government of India and Reserve Bank of India announced various measures between March 2020 till date, which included policy changes, reforms, relief packages, bank loans, and infrastructure building plans and so on. Following are some key measures taken by The Reserve Bank of India (RBI) in order to provide relief for the ongoing COVID-19 breakout in India:

- Repo Rate & Reverse Repo - From March to August 2020, RBI has cut the repo rate by 115 bps to 4.0% and Reverse Repo rate by 155 bps to 3.35%.
- Loan Moratorium - In a massive relief to all borrowers, the RBI gave a total moratorium option of 6 months for loans outstanding as on March 1, 2020. This is applicable to lending by all Commercial Banks including Rural, Small Finance, Co-Op Banks, All India Financial Institutions and NBFCs including housing finance and microfinance institutions.
- CRR - The RBI also reduced the Cash Reserve Ratio (CRR) by 100 bps. This was applicable from March 28, 2020 and immediately injected a liquidity of Rs 1.37 lakh crore in the system.
- LTRO - The RBI also undertook Long Term Repo Operations (LTRO); allowing further liquidity with the banks. The banks however deployed a lot of it in CPs, government and corporate bonds.
- Ease of Working Capital financing - Lenders were allowed to recalculate drawing power by reducing margins and/or by reassessing the working capital cycle for the borrowers. The RBI also specified that such a move would not result in asset classification downgrade.
- Deferment of NSFR - Implementation of Net Stable Funding Ratio (**NSFR**) norms, directed towards reducing funding risk by requiring banks to fund their activities with sufficiently stable sources of funding, is postponed to October 1, 2020. The NSFR was earlier supposed to be implemented by April 1, 2020.
- MSF - Marginal Standing Facility (MSF) was also increased to 3% of Statutory Liquidity Ratio (SLR). The measure allowed banking system to avail an additional Rs 1.37 lakh crore of liquidity under the LAF window in times of stress.

Measures undertaken by the RBI may considerably ease the stress in financial market conditions; however there is a need for ensuring flow of credit & liquidity to address the risk aversion in the system. Expectations of economic recovery post COVID-19 related disruptions and adequate provisioning by financial institutions towards deterioration in portfolio credit quality should gradually restore more confidence in financial sector and NBFC sector in particular.

## 2. **BUSINESS OVERVIEW & KEY DEVELOPMENTS**

### **Religare Group Structure and Business Model**

Religare Enterprises Limited ('REL' or 'Company') is a Core Investment Company (CIC) registered with the Reserve Bank of India (RBI). REL is also the listed holding company for the subsidiaries conducting diversified financial services businesses of the group. The four key financial services businesses undertaken through its subsidiaries are as following:

- ✓ **Insurance (Health & Travel)** - Care Health Insurance Limited (CHIL)
- ✓ **SME Finance NBFC** - Religare Finvest Limited (RFL)
- ✓ **Housing Finance (Affordable)** - Religare Housing Development Finance Corporation Limited (RHDFCL)
- ✓ **Retail Broking** - Religare Broking Limited (RBL)

All these Religare Group (REL & subsidiaries) businesses have independent management teams to conduct their day-to-day operations. REL supports its subsidiaries by providing requisite Growth Capital, Board Oversight & Governance, Brand Equity, Strategic Advisory & Consulting and need based Corporate Services (Legal, Technology, HR, etc.). The Religare Group has access to a wide reach of customers – 1 million+ policy holders in insurance business, 1 million+ broking customers, more than 26k+ customer served through MSME finance & 10k+ customers contacts in affordable housing finance. As on March 31, 2020 Group has overall employee base of more 10,700 professionals servicing diversified set of customers and Group has reach to around 1,000+ locations around India.



## **Key Developments during FY 2019-20**

### **Capital Raise at REL and Subsidiary Level**

**Warrant Conversion:** During FY20, the Company received primary capital infusion of Rs 161.55 crore due to the conversion of 41,185,419 warrants issued in FY19, to the equity shares of the Company. This capital infusion was also a testimony of investor confidence in the long term growth prospects of the Company. The funds received were primarily utilized to meet external debt repayments or obligations and invested in subsidiaries companies.

**Capital Raised by CHIL during FY20:** During the FY20, company's subsidiary, CHIL, raised Rs 58.5 crores through a mix of preferential allotment of shares, rights issue and exercise of ESOP options. CHIL allotted 78,69,425 equity shares of Rs 10 each on preferential allotment/ private placement basis to few shareholders at a premium of Rs 24.31/- per equity share; 3,11,14,756 equity shares of Rs 10 each in a Rights Issue to REL and 4,15,000 Equity Shares of Rs 10/- each to ESOP Holder pursuant the exercise of ESOP options

**CHIL Stake Sale to Kedaara Capital:** REL and its subsidiary, Care Health Insurance Limited (CHIL) entered into the definitive agreement (Share Subscription and Purchase Agreement) on February 06, 2020 with M/s. Kedaara Capital Fund II LLP and M/s. Trishikhar Ventures LLP (jointly referred as 'Kedaara') for raising primary capital for CHIL and part divestment of REL's stake in CHIL. Pursuant to same, REL has divested part of its investment in CHIL on June 02, 2020 to Kedaara. The total investment made by Kedaara to acquire shares of CHIL is Rs 567.31 crore, which comprises of primary capital infusion of Rs 300 crore in CHIL and Rs 267.31 crore for the purchase of its shares from existing shareholders of CHIL, including purchase of 6.39% stake from the REL against a consideration of Rs 200 crore. Pursuant to these transactions, the shareholding of the Company in CHIL was reduced to 72.02% on a paid up capital basis.

### **Composite Scheme of Arrangement:**

On December 18, 2019, the Board of Directors of the Company approved the draft Scheme of Amalgamation ("Scheme") that is designed to simplify the Group corporate structure. In terms of the Scheme, four (4) direct/ indirect wholly owned subsidiaries of the Company namely, Religare Comtrade Limited, Religare Insurance Limited, Religare Advisors Limited and Religare Business Solutions Limited are proposed to merge with/into the Company subject to terms and conditions as provided in the Scheme. The Scheme will result in simplification of Group structure, thereby resulting in reduction in multiplicity of legal and regulatory compliances, reduction of costs and pooling of common resources. Further, the earlier Scheme approved by the Board on May 23, 2019 was withdrawn accordingly. The filing of the Scheme with the Hon'ble NCLT is delayed due to lockdown situation on account of COVID-19 pandemic outbreak and will be filed in due course of time.

### **Termination of SPA for divestment of Lending Business:**

The Company entered into a Share Purchase Agreement (SPA) on October 1, 2019 with TCG Advisory Services Private Limited (TCG), Religare Finvest Limited (RFL) and Religare Housing Development Finance Corporation Limited (RHDFCL), to divest its entire stake in RFL and RHDFCL to TCG. The transaction was subject to necessary statutory and regulatory approvals and fulfillment of other Conditions Precedent (CPs). However, RBI vide its letter dated March 20, 2020 addressed to RFL, has informed that the request seeking approval of acquisition of RFL by TCG from REL cannot be acceded to. Consequently the Long Stop Date of SPA i.e. March 20, 2020 expired without satisfaction of all the CPs and hence the aforesaid SPA was terminated.

### **Settlement with Axis Bank Limited:**

Axis Bank filed a legal case in Hon'ble Debt Recovery Tribunal, New Delhi (DRT) against the Company and its subsidiaries, Religare Capital Markets Ltd (RCML) and Religare Capital Markets International (Mauritius) Limited (RCMIML) amongst other, for recovery of Rs 312.93 crore in relation to a Credit Facility obtained by RCMIML from Axis Bank. While the Company had not provided any guarantee/securities in relation to the aforesaid Facility, Company had executed a Non Disposal Undertaking (NDU) in favour of Axis Bank, with regard to its equity shareholding in CHIL. The Hon'ble DRT had passed interim restraint orders dated 21.03.2018 and 26.08.2019, against the Company amongst others, restricting it from sale of any assets. In view of same the Company settled the dispute with Axis Bank by paying a total settlement amount of Rs 170 crore, in tranches (Rs 17 crore in FY20 and Rs 153 crore in June 2020) and pursuant to this settlement the Hon'ble DRT vide its order dated July 13, 2020 has deleted REL, RCML and RCMIML from the list of parties and vacated interim restraints orders passed earlier.



### Settlement with Private Equity shareholders of RFL:

Resurgence PE Investments Limited (formerly known as Avigo PE Investments Limited) (“Resurgence”) and NYLIM Jacob Ballas India Fund III, LLC (“Jacob Ballas”) (‘Investors’) had a 14.36% stake in Company’s subsidiary Religare Finvest Limited (RFL). The Investors were pursuing a legal case with the Company in Delhi High Court owing to a put option agreement executed during the time of their investment in RFL, making a claim of approximately Rs 677 crores on REL & RFL. During FY20, the Company acquired back the entire stake of 14.36% from the Investors in Rs 47.05 crore and also amicably settled the dispute for a consideration of Rs 8.95 crore as Settlement Amount (currently deposited with registrar of Delhi High Court). As on March 31, 2020, RFL is 100% owned by REL.

### COVID-19 Impact:

The COVID-19 pandemic has significantly impacted the economic activities and business operations of the companies across the Country on account of lockdown that started towards the end of the financial year. This has inter alia affected the business operations of subsidiaries of the Company engaged in the business of lending, housing finance, broking and insurance since the last week of March 2020. Further, in accordance with the RBI guidelines relating to ‘COVID-19 Regulatory Package’ dated March 27, 2020, RFL and RHDFCL have offered EMI moratorium to its customers based on requests as well as on a suo-moto basis. Estimates and associated assumptions applied in preparing the consolidated financial statements of the Company, especially for determining the impairment allowance of Rs 38.2 crore for RFL and of Rs 1.74 crore for RHDFCL on a consolidated basis, based on historical experience and other emerging/ forward looking factors on account of the pandemic. CHIL created an additional provision of Rs 24.46 crore towards premium deficiency, based on the review conducted and as advised by its Appointed Actuary, which is also in terms of its accounting policy on Premium Deficiency Reserve.

The Group believes that the factors considered are reasonable under the current circumstances. The Group has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans and has recognised an additional expected credit loss of Rs 64.4 crore on a consolidated basis. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event of the impacts being more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Group.

### 3. KEY SUBSIDIARIES AND OPERATIONAL PERFORMANCE

The table below lists the key subsidiaries with operations as at March 31, 2020 :

Company	Status	REL’s Stake	Major Area(s) of Operation
<b>Lending</b>			
Religare Finvest Limited (RFL)	Subsidiary	100%	• SME Finance
Religare Housing Development Finance Corporation Limited (RHDFC)	Step down subsidiary (held through RFL)	87.5%	• Affordable Housing Finance
<b>Health Insurance</b>			
Care Health Insurance Limited (CHIL)	Subsidiary	^88.95%	• Health insurance & related products
<b>Broking</b>			
Religare Broking Limited (RBL)	Subsidiary	100%	• Retail Broking • Depository & E-Gov. Services
Religare Commodities Limited (RCL)#	Subsidiary (held through RBL)	100%	• Retail Commodity Broking

^ The current shareholding of REL in CHIL is 71.84% on paid up capital basis

# The business of RCL has been sold to RBL on slump sale basis against a consideration of Rs 23 crore effective from Sept, 2019



### **SME Finance NBFC - Religare Finvest Limited (RFL)**

Religare Finvest Limited (RFL), is a wholly owned subsidiary of REL as on March 31, 2020, is registered with RBI as a non-deposit taking, systemically important Non-Banking Financial Company (NBFC-ND-SI). RFL's business 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 and by 2016, RFL had grown to build a peak business book of over Rs 16,000 crore to become one of the largest SME financing platforms in India. Currently, RFL has an employee base of over 350 and it has 20 branches pan India, servicing 24 locations. RFL's product offerings comprise of:

- a) **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.
- b) **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.
- c) **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.

### **RBI Cap and Revival efforts:**

The Reserve Bank of India (RBI) vide its letter dated January 18, 2018, advised RFL to adhere to Corrective Action Plan (RBI CAP), which inter-alia prohibits RFL from expansion of credit / investment portfolios other than investment in government securities and advised RFL to not pay any dividends. The past wrongdoings of the promoter group and ex-management resulted in siphoning of Rs. 2,037 crore through Corporate Loan Book (CLB) transactions, which came to light through forensic audits, various RBI reports and SEBI investigations. The other financial challenges faced by RFL, include misappropriation of Rs 791 crore of RFL's Fixed Deposit by Laxmi Vilas Bank (LVB) and other non-core (non SME) investments done by RFL's ex-management, which resulted in losses for the company.

RFL's new Board and Management have been taking necessary corrective measures as advised by the RBI and is making concerted efforts towards the revival of the company. Forensic audits, filing of legal proceedings for recovery of CLB funds, submission of criminal complaints & evidences to investigating agencies, expediting collections & recovery efforts, sale of NPA's to Asset Reconstruction Companies (ARCs), resolving other legacy issues and putting in place systems & controls for responsible corporate governance are some of the key steps being taken towards revival of RFL in last 2 years. Despite being under RBI CAP, RFL has repaid more than Rs 6,450 crore to its lenders since January 2018, including a sum of Rs 837 crore on March 26, 2020, during the COVID-19 lockdown.

In the current financial year under review, RFL proposed a Debt Restructuring Plan (DRP) to its lenders to correct the asset liability mismatch in its books. Religare Group also proposed sale of RFL alongwith its subsidiary RHDFCL to a strategic investor, TCG Advisory Services Private Limited (TCG), under the RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019. To this end, REL and RFL entered into a Share Purchase Agreement on October 1, 2019 with TCG. However, RBI vide its letter dated March 20, 2020, did not accede to the acquisition of RFL and RHDFCL by TCG and directed RFL to submit a revised proposal for its revival. Subsequently, REL and RFL are making renewed efforts towards revival of RFL. In April 2020, RFL has submitted an updated DRP to the lenders and efforts are also being made to improve capital structure of the company.

### **Operational Performance**

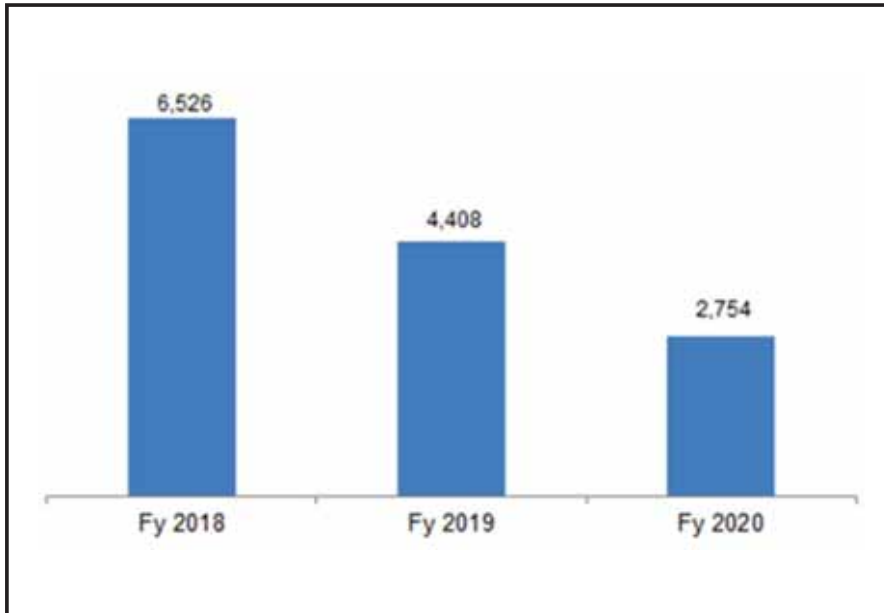
RFL's total loan book size was Rs 5,306 crore as on March 31, 2020, decreased by around 25% during the current year. SME book constituted 52% of total book and amounted to Rs 2,775 crore. The Total income earned during the year was Rs 432.8 crore, declined by 44% from the last financial year. RFL's net NPAs stood at 28% of total book size and Capital to Risk Assets Ratio (CRAR) as on March 31, 2020 was -40.80 %. During the year RFL repaid a sum of Rs 1,517 crore to its lenders. In the current financial year the company sold NPA Pool of Rs 582 crore to an ARC. Being under RBI CAP, RFL has focused its efforts on collections, recovery and correcting the asset liability mismatch in its books. RFL has approached its lenders in April 2020 with a revised Debt Resolution Plan and simultaneously efforts are also being made to raise necessary equity capital. RFL is taking necessary corrective actions and making all efforts to come out of the RBI CAP and resume normal business operations at the earliest.



**RFL- SME Secured Lending:**

As on March 31, 2020, RFL's SME-Secured loan book was at Rs 2,754 crore with 1,970 number of active accounts.

**SME Secured Book Size YoY**

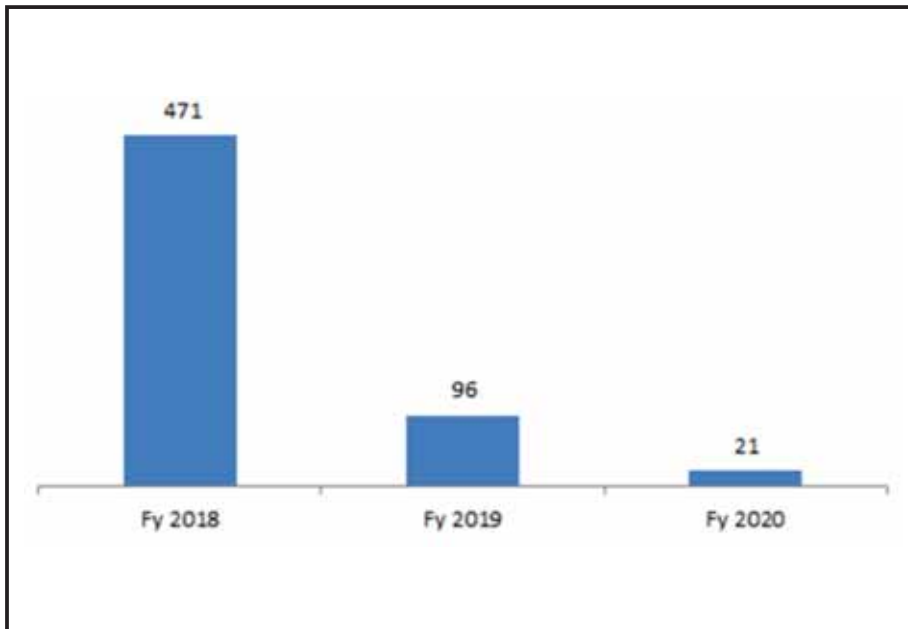


(Figures in crore.)

**RFL –SME Unsecured lending:**

As on March 31, 2020, RFL's SME working capital loan book stood at Rs 21 crore with 1,003 number of active accounts.

**SME Unsecured Book Size YoY**



(Figures in crore.)





**Threats /Risks:** In view of the COVID-19 pandemic impacting businesses, the President of India promulgated an Ordinance dated June 5, 2020 to further amend the Insolvency and Bankruptcy code, 2016. The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020 inserts Section 10A which suspends the applicability of Section 7, 9 and 10 of the code to extend protection to corporates experiencing distress on account of the unprecedented situation, from being pushed into insolvency proceedings under the code for some time. Under the newly inserted Section 10 A no application for 'initiation of CIRP' shall be filed for any default arising on or after 25th March 2020 for a period of 6 months or such further period not exceeding 1 year. In the upcoming times, procuring adequate number of resolution applicants to rescue the corporate debtor and financial creditors will be another challenge.

**Opportunities:** Ministry of Finance has issued a notification dated February 24, 2020, stating therein that the registered non-banking financial companies (NBFCs) with assets worth INR 100 crore or more now qualify as 'financial institutions' under SARFAESI, and are entitled to enforce security under SARFAESI for secured debts of INR 50 lakhs and above. This has significantly widened RFL's scope to use SARFAESI for enforcement of security in relation to the secured debt where the principal amount of the debt was less than Rs 1 crore.

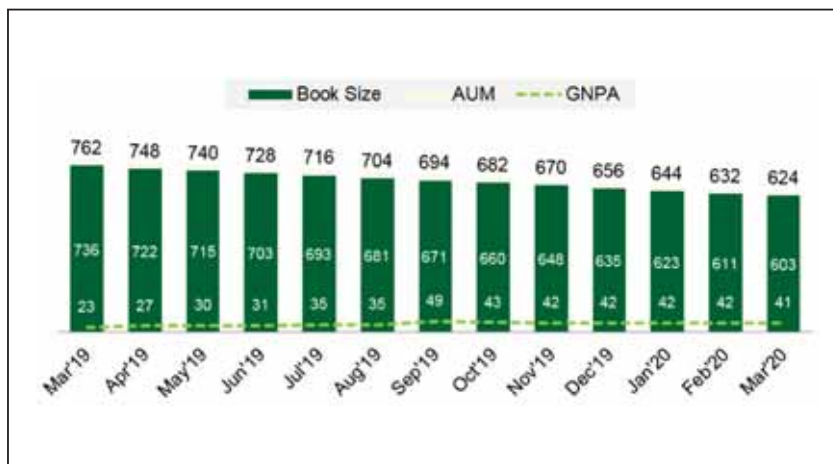
**Housing Finance - Religare Housing Development Finance Corporation Limited (RHDFCL)**

Religare Housing Development Finance Corporation Limited (RHDFCL), a step down subsidiary of REL in which REL holds 87.5% equity stake through RFL, offers residential collateral backed mortgage loans for home purchase, construction, extension & renovation along with loan against residential property to customers both formal & informal income segment essentially belonging to the low & medium income groups. RHDFCL is registered Housing Finance Company (Non-deposit taking) with a SARFAESI License. RHDFCL operates through 27 branches as on March 31, 2020 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.

RHDFCL 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 RHDFCL 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 to the customers.

**Operational Performance**

During FY20, RHDFCL disbursed loans accumulating to Rs 17 crore and the total loan book size reduced by 18% to Rs 603 crore as on March 31, 2020 from Rs 736 crore at the end of last FY19. The reduction in the book was primarily due to constraints faced by RHDFCL in raising more funds or liabilities from its lenders on account of financial stress faced by its parent company, RFL. The Total Income and PAT after OCI for the financial year were respectively Rs 101.8 crore and Rs 4.9 crore. The current book consists of 71% of affordable house loans followed with 24% of Loan against Property; the remaining 5% consists of builder loans. The average ticket size for the home loans has been Rs 12.2 lakh. RDHFCL maintained a CRAR of 56.95% as on March 31, 2020. The Gross NPA and Net NPA ratio were respectively 6.79% and 3.72% of the total assets. RHDFCL is working with its lenders towards mobilization of borrowings, since from an equity and regulatory capital perspective RHDFCL is very well capitalized with high CRAR of 56.95%. RHDFCL sales and distribution, risk management, operations functions are adequately robust to scale up lending operations in a prudent manner.



(Figures in Rs crore)



### **Insurance (Health & Travel) - Care Health Insurance Limited (CHIL)**

CHIL, 71.84% held by REL, ranks number 3 in terms of GDP amongst the Stand Alone Health Insurance Companies (SAHI). CHIL commenced business in 2012 and has a network presence at 1,000+ locations across country with 156 branches and 10,000+ hospitals empaneled for cashless claims. It has a product bouquet of 23 products encompassing group, travel, fixed benefit and indemnity categories to serve varied customer needs. CHIL has a differentiated service offering for corporate businesses, 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. CHIL has also successfully completed Ayushman Bharat mandate (government scheme) in Chhattisgarh. The company continued to invest in Digital properties for its customers, partners and its employees.

#### **Operational Performance**

During the FY20, CHIL garnered Gross Written Premium of Rs 2,409 crore, a growth of 31% over the previous financial year and reported PAT of Rs 66 crore. The total Asset Under Management (AUM) of CHIL as on March 31, 2020 stands at Rs 1,778.4 crore. Further, the total investment portfolio is bifurcated between shareholders portfolio of Rs 544.4 crore and policyholder's portfolio of Rs. 1,234 crore. The return generated in shareholder portfolio was 6.44%/annum and in policyholder portfolio return was 8.24%/annum. Overall 95.25% of the portfolio has been invested in Sovereign securities or instruments having highest rating profile. As on March 31, 2020 CHIL had a Networth of Rs 585 crores. In FY20, CHIL attracted investments of Rs 27 crore from select investors on private placement basis and around Rs 31 crores from REL through investment in Rights Issue of CHIL. In June 2020, Kedaara Capital invested a primary capital of Rs 300 crore in CHIL along with investment in secondary purchase of CHIL shares. This capital infusion will help the company to make investments in distribution, technology, servicing opportunities and building healthy solvency margins. CHIL is continuously monitoring the impact of pandemic on the business operations.

**Threats / Risks:** IRDAI has instructed that COVID-19 claims will also be accepted as part of active health insurance policies. The Risks for COVID-19 were not factored in while at the time of issuance of earlier policies, hence additional claims related to COVID-19 may impact profitability of Health Insurance companies in FY21. Also some studies have shown that COVID-19 affects the co-morbidities such as diabetes, renal or other chronic diseases and this can result in longer trail of non COVID chronic claims for a for extended period beyond COVID-19 crisis.

**Opportunities:** Indian health insurance market is a growing market and registered a market size of Rs 56,798 crore in FY20, up by 11.6% from last year. Out of all health insurance service providers in India, Public Sector institutions have a market share of 46% and Private Insurers having a market share of 29% and Stand Alone Health Insurance Companies (SAHI) hold 25% market share. However in terms of retail Gross Written Premium (GWP), SAHI had the biggest share of 50% in FY20. The group believes that having invested in people, processes, alliances, technology and customer services, CHIL is well placed to serve and grow in the structural growth story of insurance sector in India and specially health insurance sector. Further the onset of COVID-19 has increased awareness towards need of Health Insurance products and this may result in additional demand for health product for next few years.

### **Retail Broking -Religare Broking Limited (RBL)**

The Retail Broking business is primarily undertaken by Religare Broking Limited (RBL), a wholly owned subsidiary of REL, and its subsidiary Religare Commodities Limited (RCL)(step down subsidiary of REL). RBL provides trading capabilities across all product segments – cash equities, equity derivatives, commodities, currency derivatives, and mutual funds; on all major stock and commodities exchanges in India. RBL has more than 900 points of presence spanning 400+ towns and cities across the length and breadth of India and it services 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 which helps to extend RBL's presence and make the Religare brand visible in the far corners of India. RBL & RCL provides multi-platform options for trading such as Branch, Web, mobile App, Call & Trade to enhance customer convenience and ease. The Retail Broking business also has Bancinvest partnerships with various banks like Andhra Bank, Bank of Maharashtra, Corporation Bank, Dhanlaxmi Bank Limited, IndusInd Bank Limited, Karur Vysya Bank Limited, Sarasvat Bank, South Indian Bank Limited, Tamilnadu Mercantile Bank Limited, UCO Bank and Union Bank of India etc. Under the Broking business the following key segments operate:



- **Retail Equity Broking:** The retail equity broking business is operated by RBL. RBL is registered as a Stock and commodity Broker with Securities and Exchange Board of India (SEBI). RBL is also a member of the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange Limited of India Limited (MSE), National Commodity & Derivatives Exchange Ltd. (NCDEX) and Multi Commodity Exchange of India Ltd. (MCX). In addition, RBL is a depository participant with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), which facilitates smooth settlement of client's delivery-based transactions.
- **Retail Commodity Broking:** Earlier the commodity business was carried out by RCL, a wholly owned subsidiary of RBL, however to ensure better synergy and customer experience, from September 7, 2019, the commodity broking business was transferred to RBL on 'slump sale' basis. Commodity Broking provides platform for 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, to lock-in future prices and thereby hedge their exposures. RBL is a member of National Commodity & Derivatives Exchange Ltd. (NCDEX), Multi Commodity Exchange of India Ltd.
- **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.
- **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

During FY20, the turnover of Broking business increased by ~ 6% and RBL reported consolidated revenue of Rs 220 crore. The total traded volume was Rs 8.85 lakh crore in FY20 as compared to Rs 8.71 lakh crore in FY19. RBL's total traded volume in equity segment was Rs 6.95 lakh crore during FY20 compared to Rs 6.56 lakh crore in FY19. The share of the lower-yielding Futures & Options segment within overall market turnover continued to be high at 97.2% and the share of the better-yielding cash equities segment stood at 2.8%, with adverse implications on blended yields. During the financial year ended March 31, 2020, RBL has entered into partnership with HDFC Life Insurance & ICICI Prudential Life Insurance for selling for selling Life Insurance. RCL won 'Best Broking House – 2019' Bullion by MCX and RBL also won - NSE Market Achievers Awards 2019- Regional Retail Member of the Year- North – 2019.

For better synergy the commodities broking business of RCL has been transferred to its holding company RBL as a 'slump sale' (as defined as per section 2 (42C) of the Income – tax Act, 1961) with an effective date of September 7, 2019, at a total cash consideration of Rs 23 crore. The Board of Directors of Religare Advisors Limited, Religare Business Solutions Limited (both are wholly owned subsidiary of RBL) in their meeting held on December 18, 2019 have approved the Scheme of Amalgamation with Religare Enterprises Limited, the ultimate Holding Company. The Scheme of Amalgamation could not be filed with NCLT due to COVID -19 and will be filed with Hon'ble NCLT in due course.

RBL's short term bank line rating is '[ICRA] A4@' on watch with negative implications. RBL's credit rating has been downgraded primarily due to financial stress at group level (arising out the financial irregularities at RFL done by the ex-management and promoters) and this restricted bank finance and capital for the business. Also Credit rating from ICRA for commercial papers (for an amount of Rs400 Crores) has been withdrawn in FY20. The Company and RBL's management is making concerted efforts to improve the situation. The Company is also of the view that with overall improvement of financial situation of the Group will also help RBL improve its credit rating. RBL's rankings and clientele continue to be robust. Given the robust infrastructure and clientele in place, the company believes that the business will start showing positive results post getting the desired level of funding in the business.



**Threats/ Risk:** A continued slowdown in real economy may result in pessimism towards capital markets. There is high amount of liquidity in markets due to monetary and fiscal easing by Central Banks globally and reversal of this phenomenon may impact market adversely. However, the penetration of Capital Markets in India is still low and it leaves a lot of scope to structural growth of markets. Further Broking business is seeing a lot of discount Brokers offering very low or negligible brokerage impacting profitability. RBL is adapting its products; technology and service experience to increase its volumes and mitigated this risk.

**Opportunities:** Overall, Financial Markets saw increase in trading activity in FY20. The average daily traded volumes (ADTO) for the equity markets during FY20 stood at Rs 14.44 lakh crore, up 45% YoY. The overall Cash market ADTO reported growth of 7.14% YoY at Rs 37,997 crore in FY 20. Delivery saw growth of 3% YoY to Rs 9,140 crore against the dip of 8% last year. Within derivatives, future volumes increased 1.6% YoY to Rs 88,954 crore while options rose 51% to Rs 13.16 lakh crore. The revival in market sentiments is expected to give push to the primary market activities and overall volumes. The commodities market has adjusted well to the new regulatory regime. After few years of hiatus due to systemic issues of the past, the regulator has proposed the introduction of new products and new participants in the market. As these efforts come to fruition, the commodities market will be well positioned to enter a new phase of growth.

#### 4. REVIEW OF FINANCIAL PERFORMANCE:

The highlights of standalone and consolidated financial performance of the Company for the FY20 are as under:

(Rs in Crore)

Particulars	Financial Year 2019-20		Financial Year 2018-19	
	Standalone (Audited)	Consolidated (Audited)	Standalone (Audited)	Consolidated (Audited)
Total Income	60.59	2,397.48	35.17	2,381.01
Total Expenditure	200.75	3,257.46	181.28	3,884.45
<b>Profit before Tax</b>	<b>(140.16)</b>	<b>(859.98)</b>	<b>(146.11)</b>	<b>(1,503.44)</b>
Exceptional Items	(170.00)	(170.00)	-	-
<b>Profit / (Loss) before Tax after exceptional items</b>	<b>(310.16)</b>	<b>(1,029.98)</b>	<b>(146.11)</b>	<b>(1,503.44)</b>
Share in Profit / (Loss) of Joint Ventures	-	0.13	-	0.09
<b>Profit / (Loss) before Tax</b>	<b>(310.16)</b>	<b>(1,030.12)</b>	<b>(146.11)</b>	<b>(1,503.53)</b>
Provision for Tax	-	7.86	-	(2.58)
<b>Profit / (loss) After Tax</b>	<b>(310.16)</b>	<b>(1,037.98)</b>	<b>(146.11)</b>	<b>(1,500.95)</b>
<b>Other comprehensive income</b>	<b>(0.52)</b>	<b>13.84</b>	<b>0.16</b>	<b>3.95</b>
<b>Total Comprehensive Income for the period</b>	<b>(310.68)</b>	<b>(1,024.14)</b>	<b>(145.95)</b>	<b>(1,497.00)</b>
Less: Share of Non- Controlling Interest	-	(103.57)	-	(213.48)
<b>Total Comprehensive Income/ (Loss) (after tax and non-controlling interest)</b>	<b>(310.68)</b>	<b>(920.56)</b>	<b>(145.95)</b>	<b>(1,283.52)</b>

**Note:** This is 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.

##### Consolidated Performance

For the financial year the Company recorded a 'Loss after Exceptional Items and Before Tax' of Rs 1,030.12 crore in comparison to 'Loss After Exceptional Items and Before Tax' of Rs 1,503.53 crore in FY19. 'Loss After Tax and Share in Joint Venture' was Rs 1,037.98 crore for FY20 as compared to 'Loss After Tax and Share in Joint Venture' of Rs 1,500.95 crore for FY19. Total Comprehensive Income attributable to the Owner of the Company for the FY20 is Rs (920.56) crore as compared to Rs (1,283.52) crore in FY19.

##### Standalone Performance

The Company recorded a 'Loss After Exceptional Items and Before Tax' of Rs (310.16) crore, for FY20 as compared to 'Loss After Exceptional Items and Before Tax' of Rs (146.11) crore for FY19. 'Loss After Tax' was Rs (310.16) crore for FY20 as compared to 'Loss After Tax' of Rs (146.11) crore for FY19. 'Loss before Exceptional Items' was Rs (140.16) crore for FY20 as compared to Loss before Exceptional Items of Rs (146.11) crore for FY19. Reported basic Earnings Per Share (EPS) was Rs (13.16) in FY20 in comparison to Rs (6.93) in FY19.



### **Segment-wise Performance(Consolidated)**

Our income from operations is comprised of income from lending activities, insurance premium, broking operations, interest from fixed deposits with banks, income from non-current investments, income from current investments, interest 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 20 and in FY 19 is tabulated below:

(Rs in Crore)

Particulars	As per Ind AS			
	FY20		FY 19	
	Amount	% of Total income	Amount	% of Total income
Income From Lending Activities	479.55	20.00%	788.35	32.82%
Interest Income on Fixed Deposits with Banks	16.91	0.71%	24.17	1.00%
Interest Income/Charges on Delayed Payments	23.82	0.99%	30.88	1.29%
Income from Investments	119.14	4.97%	92.44	3.85%
Commission Income	34.05	1.42%	59.43	2.47%
Income From Broking Operations	167.96	7.01%	195.18	8.13%
Income From Advisory Services	0.11	0.00%	1.05	0.04%
Net Income From Insurance Premium	1,507.79	62.89%	1,090.10	45.39%
Other Business Income	6.03	0.25%	5.45	0.23%
<b>Total Revenue From Operations</b>	<b>2,355.36</b>	<b>98.24%</b>	<b>2,287.06</b>	<b>95.22%</b>
Other Income	42.12	1.76%	93.95	4.78%
<b>Total Income</b>	<b>2,397.48</b>	<b>100.00%</b>	<b>2,381.01</b>	<b>100.00%</b>

### **Details of Other Income (Consolidated):**

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 Rs 42.12 crore during FY20 constituting 1.76 % of our total income for such period as compared to Rs 93.95 crores for FY19 constituting 4.78% of our total income for such period. Below is a comparison of the components of our other Income during FY20 with that in FY19.

(Rs in Crore)

Particulars	FY 20	FY19
Balances Written Back /Bad Debts and Loans Written off Recovered	1.85	3.56
Income From Support Services	0.67	5.14
Interest Income From Fixed Deposits With Banks*	0.22	19.87
Net Gain on de-recognition of Property, Plant and Equipment	0.84	0.51
Profit On Sale Of Flats Under Construction Held For Sale (Net)	0.0	0.01
Profit on Sale/Redemption of Investments (Net)	5.26	39.78
Interest Income From Investments	5.83	2.11
Interest Income on Others	16.63	16.95
Income towards ARC transaction (Net)	5.50	0.0
Miscellaneous Income	5.32	6.03
<b>Total Other Income</b>	<b>42.12</b>	<b>93.95</b>



## Key Ratios (Consolidated level):

(Rs in Crore)

Particulars	FY 20	FY 19
Total Income	2,397.48	2,381.01
EBITDA	50.12	(627.72)
EBITDA Margin (%)	2	(26)
PBT	(1,029.98)	(1,503.44)
PBT Margin (%)	(36)	(63)
PAT	(1,037.98)	(1,500.95)
PAT Margin (%)	(43)	(63)
Current Ratio	0.65	0.95
Debt Equity Ratio	27.57	6.38
Return on Network *	(534%)	(143%)

\*The main reason for decrease in Return on Network is:

Impairment loss booked in FY20 is Rs 374.23 crore and Rs 1390.55 crore in FY19, Capital commitment/ settlement cost booked during FY20 Rs 178.95 crore (Axis Bank Settlement and on purchase of stake of RFL) and expense booked under claim and other benefits in FY20 are Rs 891.94 crore against Rs 602.67 crore in FY 19.

## 5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company and its key operating subsidiaries have adequate control environment for identification and assessment of applicable risks on a periodical basis. Mitigation plans and controls are documented for each identified risk in the form of policies & procedures and risk & control matrices (RCM). Risks/controls documented in the risk and control matrices are mapped to each of the financial statement line items and financial assertions to ensure availability of mitigation plans and internal financial controls for each of the material balances contained in the financial statements. The Company has a centralized Internal function to review and evaluate the efficacy and adequacy of internal control systems, compliance with operating systems, accounting procedures and policies. The Internal Audit function is carried out by a reputed external firm and findings and recommendations are presented to the respective Audit Committees.

## 6. HUMAN RESOURCES

As on March 31, 2020, Religare Group had a team of 10,708 dedicated professionals. Employees are our vital and most valuable assets; and our continued belief in people being key differentiators has guided our functional initiatives towards leveraging potential of employees to take additional responsibilities and providing them with opportunities to navigate through the current period and help the organization achieve its business goals. 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. In line with the business strategy, talent strategy has been focused on employee engagement, providing role elevation opportunities to existing talent and developing a strong culture of transparency through constant employee communication.

The Company has also been dedicated to offering its employees favorable and safe work environment, especially given the global pandemic of COVID-19. To prepare for the pandemic the Company issued an employee advisory on March 15, 2020, which required work planning for critical tasks and encouraging employees to largely work from home. Special measures relating to travel, self-isolation, social distancing, etc. were implemented immediately. As per the guidelines issued by the Government of India, States and other concerned authorities for taking preventive



measures to protect the citizens from this global medical emergency due to COVID-19, the Company and its subsidiaries kept its offices closed at all locations from March 23, 2020 and a Policy for Work From Home under the situation arising due to COVID-19 pandemic was introduced, which was regularly updated as per the guidelines received from concerned authorities. Business Continuity was ensured through availability and accessibility of required data to authorize personnel of the Company through a secured channel, post connecting VPN (Virtual Private Network).

In view of the relaxations provided by the Order issued by Ministry of Home Affairs (MHA), Govt. of India, the offices of Company have been resumed in a phased manner in Delhi & Noida from May 18, 2020 with strict protocols and Do & Don'ts to be followed by the staff. Downloading of Aarogya Setu app by employees with smartphone has been mandated and a self-declaration form, which also captures information from the app, is required to be signed by each employee on each day of attending office. Similarly the offices of the subsidiaries across the country are also being resumed in a phased manner with due precautions and safeguards.

At Religare Group, Business and Human Resource teams are continuously striving towards achieving business objectives, dealing with exceptional adversities, ensuring adherence to established human resource processes and policies, maintaining credible communication with employees, to reinforce the professional value system and transparent work culture of the Group.



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 and amendments made thereunder (“SEBI Listing Regulations”), the Company submits the Corporate Governance Report for the year ended March 31, 2020:

## 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. The category wise composition of Board of Directors under Regulation 17 of SEBI Listing Regulations as on March 31, 2020 is as under:

S. No.	Category	No. of Directors
1	Executive Director	1
2	Non-Executive, Independent Director ( including Woman Director)*	4
3	Other Non- Executive Director (including Nominee Director)*	1
<b>Total</b>		<b>6</b>

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





The details relating to composition, category of Directors, directorships held by them in other companies and their membership and chairpersonship on various Committees of Board of other companies, as on March 31, 2020 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	Executive Chairperson (Whole Time Director)	5	4	Nil	Nil
2	Mr. Malay Kumar Sinha	08140223	Independent, Non-Executive	3	3	Nil	Nil
3	Mr. Sushil Chandra Tripathi	00941922	Independent, Non-Executive	7	1	4	1. Motherson Sumi Systems Limited (Independent, Non-Executive Director); 2. Ginni Filaments Limited (Independent, Non-Executive Director);
4	Ms. Vijayalakshmi Rajaram Iyer	05242960	Independent, Non-Executive	10	5	4	1. Magma Fincorp Limited (Independent, Non-Executive Director); 2. Aditya Birla Capital Limited (Independent, Non-Executive Director); 3. ICICI Securities Limited (Independent, Non-Executive Director); 4. GIC Housing Finance Limited (Independent, Non-Executive Director)
5	Ms. Sabina Vaisoha	00207306	Independent, Non-Executive	4	2	Nil	Nil
6	Mr. Siddharth Dinesh Mehta <sup>2</sup>	02665407	Non-Independent, Non-Executive Vice-Chairperson	3	1	Nil	Nil

<sup>1</sup>Appointed as Non-Executive Independent Director on December 20, 2018 and was appointed as Non-Executive Independent Chairperson of the Company w.e.f. June 19, 2019. Further, Dr. Saluja was appointed as Executive Chairperson and KMP w.e.f. February 26, 2020 post receipt of approval of Reserve Bank of India (RBI) dated February 26, 2020 for her appointment as Non-Independent Director;

<sup>2</sup>Appointed as Non-Executive Non-Independent Director w.e.f. July 30, 2019 post receipt of RBI approval dated July 30, 2019. Further, Mr. Mehta was appointed as Non-Executive Non-Independent Vice-Chairperson w.e.f. August 08, 2019.

None of the Non-Executive Independent Directors have resigned from the Board of the Company during the financial year 2019-20.



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 and are not aware of any circumstances or situation which exist or may be reasonable anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. 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, 2020 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 are the Woman Independent Directors on the Board of the Company.
- X. None of the Directors of the Company has attained the age of seventy five years as on March 31, 2020.
- XI. None of the Directors on the Board of the Company has been debarred from accessing the capital market and/or restrained from holding position of Director in any listed company in virtue of any SEBI Order or any such authority.
- XII. 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 2019-20, **Eleven (11)** Board meetings were held: April 23, 2019, May 23, 2019, June 19, 2019, July 09, 2019, August 08, 2019, September 09, 2019, November 08, 2019, December 10, 2019, December 18, 2019, February 04, 2020 and February 12, 2020. Time gap between two consecutive board meetings was not more than 120 days. The last Annual General Meeting of the Company was held on September 26, 2019.

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2019-20 are as under:

S. No.	Name of Director	No. of Board meetings attended	Whether attended last AGM
1.	Dr. Rashmi Saluja	11/11	Yes
2.	Mr. Malay Kumar Sinha	11/11	Yes
3.	Mr. Sushil Chandra Tripathi	11/11	No
4.	Ms. Vijayalakshmi Rajaram Iyer	8/11	No
5.	Ms. Sabina Vaisoha	11/11	Yes
6.	Mr. Siddharth Dinesh Mehta	6/7	No

#### 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, 2020.

Sl. No.	Core Competencies	Sl. No	Sub-Competencies	Name of Directors having Skills/Expertise/Competence					
				Dr. Rashmi Saluja	Mr. Malay Kumar Sinha	Mr. Sushil Chandra Tripathi	Ms. Vijayalakshmi Rajaram Iyer	Ms. Sabina Vaisoha	Mr. Siddharth Dinesh Mehta
1	Industry knowledge/ experience & Technical Expertise	i.	Should have adequate knowledge to make informed decisions about the industry and the organization	✓	✓	✓	✓	✓	✓
		ii.	To ensure overall efficiency & profitability	✓	✓	✓	✓	✓	✓
		iii.	To mitigate larger risks by ensuring compliance	✓	✓	✓	✓	✓	✓
		iv.	Knowledge of broad public policy direction & understanding of government legislation	✓	✓	✓	✓	✓	✓
		v.	Understanding of macro-economic factors, trends, challenges and opportunities, or unique dynamics in financial market that are relevant to Religare Enterprises	✓	-	✓	✓	✓	✓



Sl. No.	Core Competencies	Sl. No	Sub-Competencies	Name of Directors having Skills/Expertise/Competence					
				Dr. Rashmi Saluja	Mr. Malay Kumar Sinha	Mr. Sushil Chandra Tripathi	Ms. Vijayalakshmi Rajaram Iyer	Ms. Sabina Vaisoha	Mr. Siddharth Dinesh Mehta
2.	Governance	i.	Should have essential knowledge and understanding of governance related matter	✓	✓	✓	✓	✓	✓
		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	✓	✓	✓	✓	-	✓
		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.	✓	-	✓	✓	-	✓
		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	✓	✓	✓	✓	✓	✓
3	Leadership	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	✓	✓	✓	✓	✓	✓
		ii.	Make use of available resources by delegating responsibilities and directing resources to desired results	✓	✓	✓	✓	✓	✓
4	Strategic thinking and decision making	i.	Ability to see the big picture and also being goal/future oriented	✓	✓	✓	✓	✓	✓
		ii.	Ability to think independently & critically	✓	✓	✓	✓	✓	✓
		iii.	Ability to make informed decisions efficiently & take necessary actions	✓	✓	✓	✓	✓	✓
		iv.	Ability to analyse & understand report and data presentations	✓	✓	✓	✓	✓	✓
		v.	Ability to review and analyse proposed budgets & vacancies to provide organization with strategic inputs & priorities	✓	✓	✓	✓	✓	✓



Sl. No.	Core Competencies	Sl. No	Sub-Competencies	Name of Directors having Skills/Expertise/Competence					
				Dr. Rashmi Saluja	Mr. Malay Kumar Sinha	Mr. Sushil Chandra Tripathi	Ms. Vijayalakshmi Rajaram Iyer	Ms. Sabina Vaisoha	Mr. Siddharth Dinesh Mehta
5	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.	i.	Leadership & 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	✓	✓	✓	✓	✓	✓
		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	✓	✓	✓	✓	✓	✓
		iii.	Integrity - A commitment to: a) putting the Company's interests before any personal interests b) acting in a transparent manner and declaring any activities or conduct that might be a potential conflict c) maintaining Board confidentiality at all times.	✓	✓	✓	✓	✓	✓
		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;	✓	✓	✓	✓	✓	✓
		v	Commitment - A visible commitment to the purpose for which Religare Enterprises has been established and operates, and its on-going success	✓	✓	✓	✓	✓	✓

#### Information available to the Board

During the year 2019-20, 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 2019-20, separate meetings of the Independent Directors of the Company were held on May 23, 2019 and November 08, 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 May 23, 2019 and December 04, 2019 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, 2020, the Company has one Executive Director on the Board of the Company. Dr. Rashmi Saluja is Executive Chairperson (Whole Time Director) and does not hold any share or convertible instrument of the Company during her tenure on the Board in the financial year 2019-20.

### **C. COMMITTEES OF THE BOARD**

The Board has constituted 9 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, RPT Sub-Committee and IT Strategy Committee.

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

#### **I. Audit and Governance Committee**

##### **(i) Composition**

The Composition of the Audit and Governance Committee as at March 31, 2020 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
5	Mr. Siddharth Dinesh Mehta <sup>1</sup>	Member

<sup>1</sup>Appointed as member of the Committee w.e.f. August 08, 2019 and further, stepped down as Member of the Committee w.e.f. September 02, 2020.

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 of 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 Rs. 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 SEBI Listing Regulations.

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

During the financial year 2019-20, **Six (6)** meetings of the Audit and Governance Committee were held: May 22, 2019, August 08, 2019, September 09, 2019, November 07, 2019, December 18, 2019 and February 12, 2020.

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	5/6
2	Mr. Malay Kumar Sinha	6/6
3	Mr. Sushil Chandra Tripathi	5/6
4	Dr. Rashmi Saluja	6/6
5	Mr. Siddharth Dinesh Mehta <sup>1</sup>	3/4

<sup>1</sup>Appointed as member of the Committee w.e.f. August 08, 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 of the Company acts as the Secretary to 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, 2020 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
5	Mr. Siddharth Dinesh Mehta	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 SEBI Listing Regulations.

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

During the financial year 2019-20, **Seven (7)** meetings of the Committee were held: May 22, 2019, June 19, 2019, July 19, 2019, August 08, 2019, September 09, 2019, December 10, 2019 and February 12, 2020.

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	7/7
2	Ms. Vijayalakshmi Rajaram Iyer	7/7
4	Mr. Sushil Chandra Tripathi	7/7
5	Dr. Rashmi Saluja	7/7
6	Mr. Siddharth Dinesh Mehta <sup>1</sup>	3/3

<sup>1</sup>Appointed as member of the Committee w.e.f. August 08, 2019.



### 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, 2020 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
4	Dr. Rashmi Saluja	Member
5	Mr. Siddharth Dinesh Mehta	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.

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

During the year ended March 31, 2020, **four (4)** meetings of the Committee were held: May 23, 2019, August 08, 2019, November 08, 2019 and February 12, 2020.

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	4/4
2	Mr. Malay Kumar Sinha	4/4
3	Mr. Sushil Chandra Tripathi	4/4
4	Dr. Rashmi Saluja <sup>1</sup>	0/0
5	Mr. Siddharth Dinesh Mehta <sup>2</sup>	0/2

<sup>1</sup>Appointed as member of the Committee w.e.f. February 12, 2020;

<sup>2</sup>Appointed as member of the Committee w.e.f. August 08, 2019.



The details of investor complaints received and resolved during the period April 1, 2019 to March 31, 2020 is as under:

No. of Investor Complaints pending at the beginning of April 1, 2019	No. of Investor Complaints received from April 1, 2019 to March 31, 2020	No. of Investor Complaints resolved from April 1, 2019 to March 31, 2020	No. of Investor Complaints pending at the end of March 31, 2020
0	12	12	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, 2020 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
4	Dr. Rashmi Saluja	Member
5	Mr. Siddharth Dinesh Mehta	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, 2020, **One (1)** meeting of the Committee was held: August 08, 2019.

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	1/1
2	Mr. Sushil Chandra Tripathi	1/1
3	Ms. Sabina Vaisoha	1/1
4	Dr. Rashmi Saluja <sup>1</sup>	0/0
5	Mr. Siddharth Dinesh Mehta <sup>1</sup>	0/0

<sup>1</sup>Appointed as member of the Committee w.e.f. August 08, 2019.



## V. Investment, Borrowing and Share Allotment Committee

### (i) Composition

The composition of Investment, Borrowing and Share Allotment Committee as at March 31, 2020 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
5	Mr. Siddharth Dinesh Mehta	Member

### (ii) Terms of Reference

- 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 be decided by the Committee from time to time up to Rs. 6000 Crores 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 Rs. 3000 Crores;
- 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, 2020, **Three (3)** meetings of the Committee were held: October 14, 2019, October 18, 2019 and February 12, 2020.

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	2/3
2	Mr. Malay Kumar Sinha	2/3
3	Dr. Rashmi Saluja	3/3
4	Mr. Sushil Chandra Tripathi	2/3
5	Mr. Siddharth Dinesh Mehta <sup>1</sup>	2/3

<sup>1</sup>Appointed as member of the Committee w.e.f. August 08, 2019;

## 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 and the group.

The composition of Risk Management Committee as at March 31, 2020 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. Siddharth Dinesh Mehta	Member



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

During the year ended March 31, 2020, **two (2)** meetings of the Committee were held: May 22, 2019 and November 07, 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	2/2
2	Mr. Malay Kumar Sinha	2/2
3	Dr. Rashmi Saluja	2/2
4	Mr. Milind Narendra Patel <sup>1</sup>	1/1
5	Mr. Siddharth Dinesh Mehta <sup>2</sup>	1/1

<sup>1</sup> Ceased to be member of the Committee w.e.f. July 19, 2019;

<sup>2</sup> Appointed as member of the Committee w.e.f. August 08, 2019.

**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, 2020 is as under:-

S. No.	Name of the Member/Chairperson	Position
1	Dr. Rashmi Saluja	Chairperson
2	Ms. Vijayalakshmi Rajaram Iyer	Member
3	Mr. Sushil Chandra Tripathi	Member
4	Mr. Malay Kumar Sinha	Member
5	Mr. Siddharth Dinesh Mehta	Member
6	Mr. Nitin Aggarwal	Member

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

During the year ended March 31, 2020, **Four (4)** meetings of the Committee were held: May 22, 2019, August 08, 2019, November 07, 2019 and February 12, 2020.

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	Dr. Rashmi Saluja <sup>1</sup>	4/4
2	Ms. Vijayalakshmi Rajaram Iyer	3/4
3	Mr. Sushil Chandra Tripathi	4/4
4	Mr. Milind Narendra Patel <sup>2</sup>	1/1
5	Mr. Malay Kumar Sinha <sup>3</sup>	0/0
6	Mr. Siddharth Dinesh Mehta <sup>4</sup>	0/1
7	Mr. Nitin Aggarwal <sup>3</sup>	0/0

<sup>1</sup> Appointed as member of the Committee w.e.f. March 14, 2019; further appointed as Chairperson of the Committee w.e.f. February 12, 2020;

<sup>2</sup> Ceased to be member of the Committee w.e.f. July 19, 2019;

<sup>3</sup> Appointed as member of the Committee w.e.f. February 12, 2020;

<sup>4</sup> Appointed as member of the Committee w.e.f. August 08, 2019.



## 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, 2020 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
4	Dr. Rashmi Saluja	Member
5	Mr. Siddharth Dinesh Mehta	Member

### (ii) **Meetings and attendance during the year**

During the year ended March 31, 2020 **three (3)** meetings of the Committee were held: May 22, 2019, November 07, 2019 and February 12, 2020.

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	2/3
2	Mr. Malay Kumar Sinha	3/3
3	Mr. Sushil Chandra Tripathi	3/3
4	Mr. Siddharth Dinesh Mehta <sup>1</sup>	0/2
5	Dr. Rashmi Saluja <sup>2</sup>	0/0

<sup>1</sup>Appointed as member of the Committee w.e.f. August 08, 2019;

<sup>2</sup>Appointed as member of the Committee w.e.f. February 12, 2020.

## IX. IT Strategy Committee

### (i) **Composition**

In pursuant to the Master Direction – Information Technology Framework for the NBFC Sector issued by RBI, the IT Strategy Committee was constituted by the Company on May 23, 2019. The composition of IT Strategy Committee as at March 31, 2020 is as under:-

S. No.	Name of the Member/Chairperson	Position
1	Mr. Malay Kumar Sinha	Chairperson
2	Dr. Rashmi Saluja	Member
3	Mr. Siddharth Dinesh Mehta	Member
4	Mr. Chirag Jain	Member
5	Mr. Shalabh Garg	Member



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

During the year ended March 31, 2020 **two (2)** meetings of the Committee were held: August 08, 2019 and February 04, 2020 (adjourned to February 11, 2020).

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	2/2
2	Dr. Rashmi Saluja <sup>1</sup>	0/0
3	Mr. Siddharth Dinesh Mehta <sup>2</sup>	0/1
4	Mr. Chirag Jain <sup>2</sup>	1/1
5	Mr. Shalabh Garg <sup>1</sup>	0/0
6	Mr. Ashish Anand <sup>3</sup>	0/1
7	Mr. Saurabh Srivastava <sup>4</sup>	1/1

<sup>1</sup>Appointed as member of the Committee w.e.f. February 12, 2020;

<sup>2</sup>Appointed as member of the Committee w.e.f. August 08, 2019;

<sup>3</sup>Ceased to be member of the Committee on his resignation on June 01, 2019;

<sup>4</sup>Ceased to be member of the Committee w.e.f. December 16, 2019.

**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/ Executive Chairperson. The Group CEO/Executive Chairperson 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, 2020 and the disclosure as per the requirement of Schedule V of the Act and SEBI Listing Regulations, are as follows:

(Amount in Rs)

Name and Designation of the Director	Salary & Allowances	Joining Bonus	Commission payable	Perquisite	Retiral Benefits	Total	Stock Options Granted
Dr. Rashmi Saluja, Executive Chairperson <sup>1</sup>	41,85,140.00	50,00,000.00	NIL	NIL	NIL	91,85,140.00	NIL

<sup>1</sup>The Board of Directors of the Company at its meeting held on December 10, 2019 had approved, subject to requisite approvals, to re-designate Dr. Rashmi Saluja from Non-Executive Independent Chairperson to Executive Chairperson of the Company. Further, the Company, being a Core Investment Company, the said appointment was subject to the prior approval of the Reserve Bank of India ("RBI") due to applicable RBI guidelines on the Company. In the matter, RBI approved the appointment of Dr. Rashmi Saluja as Non-Independent Director on February 26, 2020. Consequently, the appointment of Dr. Rashmi Saluja as Executive Chairperson and KMP of the Company became effective on February 26, 2020.

Accordingly, remuneration paid to Dr. Rashmi Saluja in capacity of Executive Director is for period commencing from February 26, 2020 to March 31, 2020.

No performance linked payment has been made to Dr. Rashmi Saluja, Executive Chairperson in FY 2019-20. Dr. Rashmi Saluja has been appointed as Executive Chairperson of the Company for a period of 3 (three) years from the date of appointment i.e. February 26, 2020, which is liable to retire by rotation. The services can be terminated by either party by giving 90 days' notice in writing. There is no separate provision for payment of severance fees.

The Company has not granted any 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 Rs. 1,00,000/- per meeting and Non – Executive Non-Independent Directors are paid sitting fees of Rs. 25,000/- per meeting for attending the Board, Audit & Governance 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 – Sub Committee, Corporate Social Responsibility Committee, Investment, Borrowing & Share Allotment Committee and IT Strategy Committee meetings is Rs. 20,000/- per meeting and to Non-Executive Non-Independent Directors is Rs. 10,000/- per meeting.





Details of remuneration paid to Non-Executive Directors during FY 2019-20 and their shareholding in the Company as at 31<sup>st</sup> March 2020 are as follows:

S. No	Name of Director	Sitting Fees (Rs.)	Salary (Rs.)	Benefits or Bonuses	Stock Options	Shareholding (Number of Share)
1	Dr. Rashmi Saluja <sup>1</sup>	21,80,000	Nil	Nil	Nil	Nil
2	Mr. Malay Kumar Sinha	22,80,000	Nil	Nil	Nil	Nil
3	Mr. Sushil Chandra Tripathi	20,20,000	Nil	Nil	Nil	Nil
4	Ms. Vijayalakshmi Rajaram Iyer	17,80,000	Nil	Nil	Nil	Nil
5	Ms. Sabina Vaisoha	12,00,000	Nil	Nil	Nil	Nil
6	Mr. Siddharth Dinesh Mehta <sup>2</sup>	3,00,000	Nil	Nil	Nil	Nil

<sup>1</sup>Sitting fees paid to Dr. Rashmi Saluja in capacity of Non-Executive Independent Director from April 01, 2019 to February 26, 2020 for the financial year 2019-20. Further, Dr. Rashmi Saluja was appointed as Executive Chairperson of the Company post receipt of approval of RBI on February 26, 2020 and her remuneration as Executive Chairperson from February 26, 2020 to March 31, 2020 is given in para (i) above.

<sup>2</sup>Appointed as Non-Executive and Non-Independent Director w.e.f. July 30, 2019.

None of the Independent Directors holds any convertible instrument i.e. which are convertible into equity shares of the Company as on March 31, 2020.

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, new stock options were granted under the Religare Employees Stock Option Plan 2019. 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**

In terms of provisions of the Act and Regulation 17(10) read with Regulation 25(4) of 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 Board has adopted Board Evaluation Policy ("Policy") for carrying out the evaluation of Board as whole, the Board Committees and individual Directors including Independent Directors. The Policy covers the performance evaluation criteria of all the Directors including Independent Directors. 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.



Pursuant to the Policy, Board has carried out the annual performance evaluation of the Board as whole, all the Board Committees and individual Directors for FY 2018-19 in May 2019 and for FY 2019-20 in July 2020 as per the parameters prescribed in the evaluation forms provided in the Policy for evaluation of Board as whole, the Board Committees and individual Directors which include various aspects of Board's functioning.

Further, Independent Directors have also carried out the performance evaluation of Board as a whole, Non-Independent Directors and Chairperson of the Company in their meeting held on May 23, 2019 for the FY 2018-19 and on June 12, 2020 for the FY 2019-20.

The Board of Directors expressed their satisfaction with the Policy and Annual Performance Evaluation process and evaluation results.

## 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
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 ***3 Special Resolutions were not passed
2018-2019	26.09.2019	Thursday	4.00 P.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	There was no Special Resolution proposed at the AGM

\*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 matters 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 matters were proposed to be passed as Special Resolutions:

- Raising of funds through issue of Non-Convertible Debentures aggregating upto Rs. 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 2019-20, the Company has conducted one Postal Ballot 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	
Resolution 1	Resolution 2
Divestment of entire investment of the Company in Religare Finvest Limited and Religare Housing Development Finance Corporation Limited, material subsidiaries of the Company.	Sale, disposal and leasing of assets exceeding 20% of the assets of Religare Finvest Limited, the material subsidiary of the Company.
Resolutions were passed on November 16, 2019 result of which was declared on November 18, 2019.	

#### Persons responsible for conducting the postal ballot exercises:

**Postal ballot:** Mr. Nitin Aggarwal, Group CFO 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. MAKS & CO., Company Secretaries was appointed as Scrutinizer for conducting the Postal Ballot process and services of Karvy Fintech Private Limited (*presently known as KFin Technologies 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:

- The Company issued the Postal Ballot Notice dated October 04, 2019, for the above-mentioned resolutions. The draft resolutions 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 Section 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. Further the Postal Ballot Notice was also placed at the Company website on the following link <https://www.religare.com/Notices.aspx>;
- 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 newspaper publication of the Postal Ballot Notice was also placed at the Company website on the following link <https://www.religare.com/Newspaper-Advertisements.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 Saturday, November 16, 2019;
- One Postal Ballot form was received upto the close of working hour on Saturday, November 16, 2019. Mr. Ankush Agarwal, scrutiniser, submitted his report on Monday, November 18, 2019;
- The results of the Postal Ballot were declared on Monday, November 18, 2019 at the registered office by placing on the notice board of the Company. The date of receipt of approval i.e. Saturday, November 16, 2019 of the requisite majority of shareholders by means of postal ballot votes has been taken as the date of passing of the resolutions;
- 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 and Registrar and Share Transfer Agent.



**Details of Voting Pattern of Postal Ballot:**

After scrutinizing all votes received, the scrutinizer reported as under:

**RESOLUTION NO. 1** – Approval of divestment of entire investment of the Company in Religare Finvest Limited and Religare Housing Development Finance Corporation Limited, material subsidiaries 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 shareholders	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)	% of Total Paid-up Equity Capital
(a) Total votes received	62	11,22,53,530	112,25,35,300	46.397
(b) Less: Abstained	2	11,02,690	110,26,900	0.456
(c) Net Valid votes received	60	11,11,50,840	111,15,08,400	45.941
(d) Votes with Assent	55	11,11,50,019	111,15,00,190	45.941
(e) Votes with Dissent	5	821	8,210	Negligible

**A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:**

Particulars	No. of Share-Holders	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)	% of Total Paid-up Equity Capital
(a) Total votes received	1	100	1,000	Negligible
(b) Less : Invalid Votes	0	0	0	0
(c) Net Valid votes received	1	100	1,000	Negligible
(d) Votes with Assent	1	100	1,000	Negligible
(e) Votes with Dissent	0	0	0	0

**RESOLUTION NO. 2** – Approval for sale, disposal and leasing of assets exceeding 20% of the assets of Religare Finvest Limited, the material subsidiary 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 shareholders	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)	% of Total Paid-up Equity Capital
(a) Total votes received	62	11,22,53,530	112,25,35,300	46.397
(b) Less: Abstained	2	11,02,690	110,26,900	0.456
(c) Net Valid votes received	60	11,11,50,840	111,15,08,400	45.941
(d) Votes with Assent	54	11,11,49,559	111,14,95,590	45.940
(e) Votes with Dissent	6	1,281	12,810	Negligible



## A2. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM:

Particulars	No. of Share-Holders	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)	% 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

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 2020 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 2019-20 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 transactions 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, 2020 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 Rs. 2,142,841/- and Rs. 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 Rs. 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) SEBI PIT Regulations, 2015 w.r.t. dealing in securities of the Company by Mr. Sunil Godhwani.

In response to the above, the Company submitted the Settlement Application on August 24, 2018.



SEBI vide Order dated January 17, 2019 disposed off the Adjudication Proceeding initiated vide above show cause notice. The Company has paid Rs. 2 Lakhs as consent fees for same.

4. NSE and BSE vide their respective letter dated November 01, 2019 and October 31, 2019, levied a fine of Rs. 1,45,000/- plus 18% GST for non-compliance of Regulation 17, of SEBI Listing Regulations i.e. not having minimum 6 Directors on the Board of the Company for a period of 29 days during the quarter ended September 30, 2019.

In the matter, the Company vide its letter dated November 05, 2019 submitted clarification to both NSE and BSE stating that the Company had appointed 3 new Non-Executive Non-Independent Directors on the Board of the Company during the period from February 2018 till November 2018 which were subject to the approval from Reserve Bank of India (RBI) under the Master Directions – Core Investment Companies (Reserve Bank) Directions 2016 and requested the stock exchanges to waive off the penalty. However, NSE advised the Company to make payments as per the applicable SEBI Circular and also mentioned that a separate committee of the NSE will consider the matter of waiver of the fine imposed. Accordingly, the Company deposited the fine to NSE on November 13, 2019. NSE advised that the Company's request to waive off the penalty amount shall be considered and reviewed soon. NSE is yet to revert further in the matter. BSE did not seek any further clarification upon receipt of the waiver request made by the Company on November 05, 2019.

**(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 an Executive Director.

**ii. Shareholders' Rights**

The quarterly results of the Company are published in English newspaper (Mint) and a Hindi newspaper (Rashtriya Sahara), having wide circulation in Delhi. Further, the quarterly results are also posted on the website of the Company and can be accessed on <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. Further, the Company also publish the other important notices/information in English newspaper (Financial Express) and a Hindi newspaper (Jansatta), having wide circulation in Delhi besides uploading the same on the website 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 and 2019-20. 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 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\\_Feb\\_12\\_2020.pdf](https://www.religare.com/pdf/Religare_Whistle_Blower_Policy_Feb_12_2020.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 Executive Chairperson and Group 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, 2020.

A declaration to this effect, duly signed by Executive Chairperson, 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.

During the year, the Company has amended the existing Insider Code of the Company for incorporating the provisions relating to the Informant Mechanism procedure introduced under the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations 2019 dated September 17, 2019. Mr. Mayur Ranjan Dwivedi, EVP & Head - Strategy, M&A and Investor Relations, is the Chief Investor Relations Officer for the purpose of the Fair Disclosure Code. Both the Fair Practice Code and Insider Code have been posted on the website of the Company on the following link [https://www.religare.com/pdf/Code\\_of\\_Practices\\_and\\_Procedures\\_for\\_Fair\\_Disclosure\\_of\\_Price\\_Sensitive\\_15092020.pdf](https://www.religare.com/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Price_Sensitive_15092020.pdf) and [https://www.religare.com/pdf/Code\\_of\\_Conduct\\_for\\_Prevention\\_of\\_Insider\\_Trading\\_15092020.pdf](https://www.religare.com/pdf/Code_of_Conduct_for_Prevention_of_Insider_Trading_15092020.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 2019-20, 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, 2020. 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, 2020. Further, RBI vide its letter dated April 5, 2019 has advised the Company to stop paying dividends till further orders from the RBI and continues to be barred so as per RBI Letter dated December 19, 2019. No further order has been passed by RBI in the matter till the date of this Report.

**(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 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 ("SEBI ICDR Regulations). Out of same 38,487,485 warrants were converted into equity shares during the year FY 19 and 41,185,419 warrants were converted into equity shares of the Company during the year FY 20.

The last date of conversion of warrants was October 18, 2019. Certain warrant holders holding 31,825,010 warrants have not exercised their options to convert these warrants and the Company has not received the balance 75% amount for these 31,825,010 warrants. Accordingly, in terms of Regulation 169(3) of SEBI ICDR Regulations, 2018, 25% consideration (amounting approx. Rs. 416,112,005/-) paid against these 31,825,010 warrants stood forfeited and transferred to Capital Reserve Account.

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, 2020. The details of utilization of funds have been provided in the Financial Statements. The Audit Committee of the Company had reviewed the statement of utilization of funds.

**(xv) Business Responsibility Report ("BRR")**

Regulation 34 of the SEBI Listing Regulations mandates the inclusion of the Business Responsibility Report as part of the Annual Report for the top 1,000 listed entities based on market capitalization.

The Business Responsibility Report for the FY 2019-20 of the Company forms part of this Annual Report.

**(xvi)** There was no instance during financial year 2019-20 when the Board had not accepted any recommendation of any Committee of the Board.



## H. SUBSIDIARY COMPANIES

In terms of Regulation 16(1)(c) of the SEBI Listing Regulations, material subsidiaries are the subsidiaries whose income or networth exceeds 10% of the consolidated income or networth respectively. Accordingly, for year ended March 31, 2020, Religare Finvest Limited (*on the basis of turnover as well as net worth*), Care Health Insurance Limited (*formerly known as Religare Health Insurance Company Limited*) (*on the basis of turnover as well as networth*), Religare Housing Development Finance Corporation Limited (RHDFCL) (*on basis of networth*) and Religare Broking Limited (*on basis of networth*) are 'material non-listed Indian subsidiaries' as defined under newly amended definition under Regulation 16(1)(c) of the SEBI Listing Regulations.

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 meetings of the Company periodically.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed at the Board meetings of the Company periodically.
- Secretarial audit is carried out for all material unlisted Indian subsidiaries of the Company by Company Secretary in whole time practice. Further, the Secretarial Audit Report of all material unlisted Indian subsidiaries forms part of the Annual report.

## 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 and the quarterly/annual financial results of the Company are also placed on the Company's website and can be accessed from the following link <https://www.religare.com/annual-reports.aspx> and <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 i.e. Mint in English and Rashtriya Sahara in Hindi and are displayed on the website of the Company i.e. <https://www.religare.com/Newspaper-Advertisements.aspx>. Further, the Company also publish the other important notices / information in English newspaper (Financial Express) and a Hindi newspaper (Jansatta), having wide circulation in Delhi besides uploading the same on the website of the Company from time to time.

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, KFin Technologies 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. GENERAL SHAREHOLDERS INFORMATION

### (i) Annual General Meeting

Amidst the nationwide lockdown and mandatory social distancing norms strictly imposed by the Government of India as a preventive measure to contain the spread of corona virus cases/impact on the public, Ministry of Corporate Affairs (MCA) has taken measures to provide relaxation to the companies to overcome difficulties and ensure compliance in this continuing COVID-19 pandemic situation.

MCA vide its General Circular No. 20/2020, dated May 05, 2020, has allowed companies to conduct their Annual General Meeting through video conference/other audio visual (VC/OAVM) means during the calendar year 2020 without physical presence of shareholders at a common venue subject to fulfilment of certain pre-requisite conditions.

Further in the matter, Registrar of Companies, NCT of Delhi & Haryana (RoC) vide its Order No. ROC/Delhi/AGM Ext./2020/11538 dated September 08, 2020 (RoC Order) has extended the time to hold the AGM for companies within jurisdiction of RoC Delhi by a period of three months from the due date by which the AGM ought to have been held in accordance to the provisions of Companies Act, 2013 without requiring the companies to file applications for seeking such extension from RoC.

Accordingly, adhering to social distancing norms and restrictions placed on movement of persons and in terms of the above MCA Circular and RoC Order, it has been decided by the Company to hold its 36th Annual General Meeting (AGM) by VC/OAVM as per the details mentioned hereunder:

Date : Thursday, December 17, 2020  
Time : 4:00 P.M

### (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 (actual & tentative for future quarters)**

June 30, 2020	September 14, 2020 (Subject to Limited Review)
September 30, 2020	November 11, 2020 (Subject to Limited Review)
December 31, 2020	February 14, 2021 (Subject to Limited Review)
March 31, 2021	May 30, 2021 (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 2019-20 and 2020-21 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 2020-21 has been paid by the Company to CDSL and NSDL.



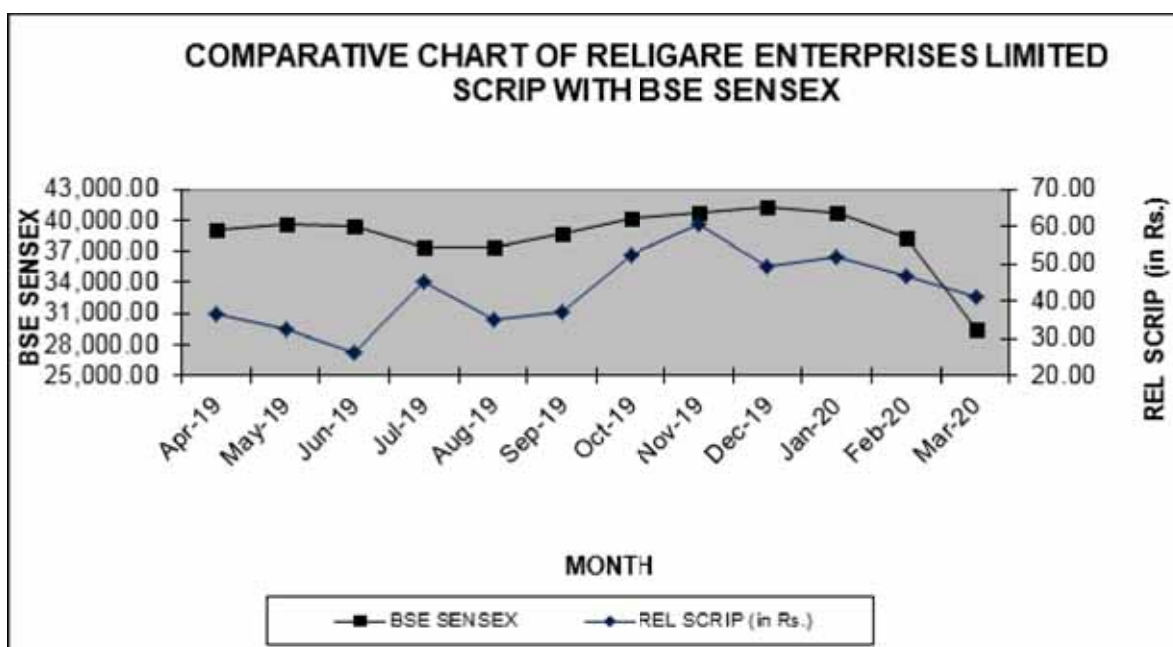
(v) Scrip Symbol / Code

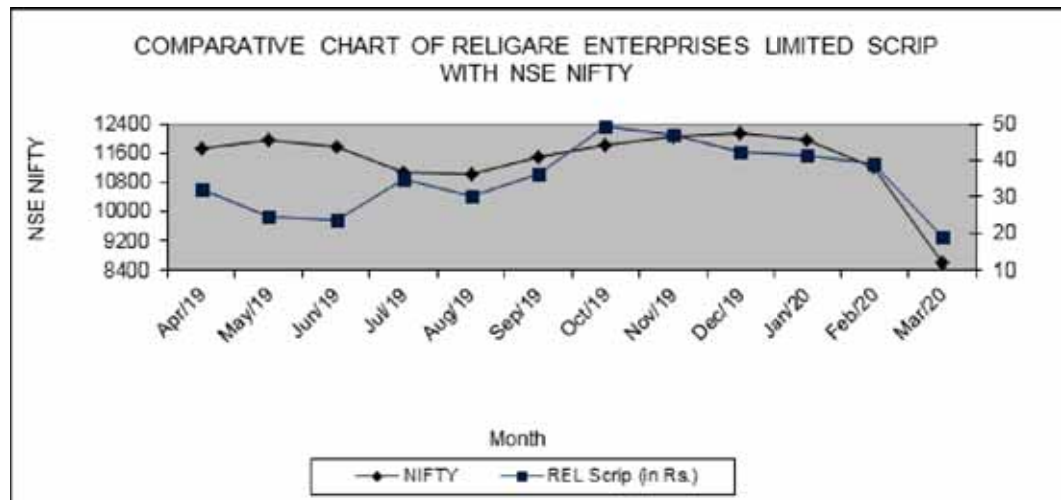
NSE RELIGARE  
 BSE 532915  
 Corporate Identification Number (CIN) L74899DL1984PLC146935

(vi) Market Price Data

In INR

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume (Number of Shares)	High	Low	Volume (Number of Shares)
April 2019	36.40	29.00	6,17,493	35.50	29.50	54,97,503
May 2019	32.60	24.00	3,86,327	32.85	24.15	30,29,578
June 2019	26.45	22.55	2,11,037	26.70	22.55	15,91,281
July 2019	45.05	23.50	16,36,514	45.20	23.50	1,10,84,002
August 2019	34.80	24.75	14,88,873	34.90	24.75	47,68,433
September 2019	37.25	28.70	5,67,857	37.30	30.00	27,56,861
October 2019	52.60	37.25	42,70,753	52.35	37.00	1,32,74,626
November 2019	60.60	45.30	49,79,900	59.35	45.40	90,53,167
December 2019	49.40	40.00	29,68,063	48.45	39.30	74,88,096
January 2020	51.95	40.50	26,18,690	51.90	40.40	2,30,59,758
February 2020	47.00	38.15	16,50,569	47.00	38.05	1,05,65,099
March 2020	41.00	17.20	8,25,291	40.85	17.15	42,15,551





**(vii) Registrar & Transfer Agent (RTA)**

**KFin Technologies Private Limited (KFINTECH)**

*(formerly known as Karvy Fintech Private Limited)*

Address: 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@kfintech.com  
Website: www.kfintech.com

**(viii) Share Transfer System**

The Company has appointed KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) (“KFINTECH”) as the Registrar and Share Transfer Agent. Name of Karvy Fintech Private Limited changed to KFin Technologies Private Limited w.e.f. December 05, 2019. 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, 2020**

	Category	No. of Shares held	Percentage of Shareholding (%)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>1</sup></b>		
1	Indian	22,66,754	0.88
2	Foreign	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>22,66,754</b>	<b>0.88</b>
<b>(B)</b>	<b>Public Shareholding<sup>2</sup></b>		
1	Institutions		
	Mutual Funds/Trusts	3,82,491	0.15
	Financial Institutions/Banks	11,02,660	0.43
	Foreign Portfolio Investors	4,71,71,297	18.27
2	Non-institutions		
	Bodies Corporate	8,33,80,005	32.30
	NBFC's	66,50,535	2.58
	Indian Public and Others	11,71,74,410	45.39
	<b>Total Public Shareholding</b>	<b>25,58,61,398</b>	<b>99.12</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>25,81,28,152</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 Promoters Group to re-classify them from Promoters and Promoters Group category to the Public Shareholders Category vide their letters dated June 07, 2018 and August 08, 2018.

Accordingly, Company submitted the application for re-classification of Promoters and Promoters group into Public Shareholders category with the stock exchanges in January 2019 after requisite approvals of the Board of Directors and Shareholders of the Company. 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 stock exchanges in March 2020 advised the Company to re-initiate the process of re-classification of Promoters/Promoters Group into the Public Shareholders based on the request letters dated June 07, 2018 and August 08, 2018 earlier received from Promoters/Promoters Group in the year 2018.

Considering the same, the Board of Directors on April 11, 2020 re-considered the request dated June 07, 2018 and August 08, 2018 of Promoters and Promoter Group along with the Company's communication dated



March 16, 2020 to Promoters and Promoters Group for re-classification into Public Shareholder category and accordingly approved the proposal, subject to the further approval of shareholders and stock exchanges, for the “re-classification of Promoters and Promoter Group into the Public Shareholder” in terms of Amended SEBI Listing Regulations as introduced on November 16, 2018. The shareholders of the Company have also approved the matter for re-classification of promoters through ordinary resolution by means of Postal Ballot on July 23, 2020, the results of which were submitted on July 24, 2020 and the application has been made to the stock exchanges on July 31, 2020 which is pending for approval.

#### **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 Rs. 10/- each issued in 2008 (2008 Preference Shares) and 2.5 crore 0.01% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 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. The voting right on said preference shares as on March 31, 2020 is 8.83% of total voting capital.

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. The Company has also made a complaint with the Economic Offences Wing of the Delhi Police in March 2019 against Promoters and others 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 in the Company.

#### **List of Public Shareholders holding more than 1% shareholding of the Company as on March 31, 2020**

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Shares held</b>	<b>Percentage of Shareholding (%)</b>
1	Puran Associates Private Limited	18,164,432	7.037
2	Resilient India Growth Fund	17,638,579	6.833
3	Win Sure Trade Invest Private Limited Rock Builders and Developers Private Limited *	14,659,304	5.679
4	International Finance Corporation	12,818,331	4.966
5	Quick Trading and Investment Advisors LLP	12,000,671	4.649
6	Dilipkumar Lakhi	7,843,302	3.039
7	Ashish Kacholia	7,832,464	3.034
8	LKP Finance Limited	7,756,235	3.005
9	Chirag Dilipkumar Lakhi	7,740,321	2.999
10	India Horizon Fund Limited	6,516,286	2.524
11	Hypnos Fund Limited	6,500,000	2.518
12	Bengal Finance & Investment Private Limited	6,500,000	2.518
13	M B Finmart Private Limited	5,736,136	2.222
14	Naina Mahesh Buxani	6,386,584	2.474
15	Milky Investment and Trading Company	4,780,112	1.852



Sr. No.	Name of the shareholder	No. of Shares held	Percentage of Shareholding (%)
16	Girdharilal V. Lakhi	4,543,090	1.760
17	Manish Lakhi	3,945,818	1.529
18	CB Green Ventures Pte. Limited	3,841,875	1.488
19	Hunt International Investment LLC	3,737,742	1.448
20	Mahesh Udhav Buxani	3,408,441	1.320
21	Pivotal Enterprises Private Limited	3,395,000	1.315
22	Copthal Mauritius Investment Limited - ODI Account	2,968,436	1.150
23	Mukul Agrawal	2,604,206	1.009
	<b>TOTAL</b>	<b>171,317,365</b>	<b>66.37</b>

*\*on behalf of Chandrakanta Enterprise*

**(x) Distribution of Shareholding as on March 31, 2020**

S No	Category	No. of Cases	% of Cases	Shares	% of Shares
1	1-5000	35,026	85.21	33,66,508	1.30
2	5001- 10000	2,467	6.00	21,02,720	0.81
3	10001- 20000	1,418	3.45	22,70,038	0.88
4	20001- 30000	518	1.26	13,62,348	0.53
5	30001- 40000	272	0.66	9,87,804	0.38
6	40001- 50000	340	0.83	16,48,960	0.64
7	50001- 100000	401	0.98	31,93,252	1.24
8	100001& Above	663	1.61	24,31,96,522	94.22
	<b>Total:</b>	<b>41,105</b>	<b>100.00</b>	<b>25,81,28,152</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, 2020, 258,118,591 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>

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, 2020.

**(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). There is no amount which is required to be transferred by the Company to IEPF.

**(xvi) Address for Correspondence with the Company**

**i. Details of Compliance Officer**

Ms. Reena Jayara  
Company Secretary  
1<sup>st</sup> Floor, 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**

**KFin Technologies Private Limited (Registrar & Share Transfer Agent)**

*(formerly known as Karvy Fintech Private Limited)*

Address: 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@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

**iii. For Securities held in Demat form**

To the Investors' Depository Participant (s) and/or KFin Technologies Private Limited

**iv. For retail investors**

E-mail: [investorservices@religare.com](mailto:investorservices@religare.com) and / or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.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 2019-20**

The Company did not have any credit rating during the FY 2019-20

**(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 2019-20 are mentioned hereunder:

Particulars	Financial Year 2019-20
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 authority. 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:

Amount (Rs in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
As Auditor:		
Audit Fees	118.19	96.84
Tax Audit Fees	9.46	9.05
In other Capacity:		
Fees For Other Services (Primarily include certification services)	28.38	15.74
For Reimbursement of Expenses	21.35	8.12
<b>Total</b>	<b>177.38</b>	<b>129.75</b>



## CEO /CFO CERTIFICATION

We, Rashmi Saluja, Executive Chairperson and Nitin Aggarwal, Group 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, 2020 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material 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.

**Place :** New Delhi  
**Date :** July 28, 2020

Sd/-  
**Rashmi Saluja**  
(Executive Chairperson)

Sd/-  
**Nitin Aggarwal**  
(Group CFO)

## DECLARATION BY EXECUTIVE CHAIRPERSON

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 31st March, 2020.

**Place:** New Delhi  
**Date :** June 29, 2020

Sd/-  
**Rashmi Saluja**  
(Executive Chairperson)



## 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, 2020, 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 that:

*The Board of Director of the Company was composed of five Directors (till July 30, 2019) instead of six directors as required under Regulation 17 (1) (c) {which was effective from April 01, 2019} of Listing Regulations.*

We further report that Chairperson of the Audit Committee authorised another member of Audit Committee to attend the Annual General Meeting of the Company on her behalf.

The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

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/-  
**Devesh Kumar Vasisht**  
Partner

C.P. No.: 13700

FCS NO. 8488

UDIN:B008488B000602048

**Date** : August 21, 2020

**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: 1<sup>st</sup> Floor, P-14, 45/90,  
P-Block, Connaught Place,  
New Delhi - 110001

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 1<sup>st</sup> Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi – 110001, India, (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 of Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority as applicable.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Dr. Rashmi Saluja	01715298	20/12/2018
2	Mr. Siddharth Dinesh Mehta	02665407	30/07/2019
3	Mr. Sushil Chandra Tripathi	00941922	01/08/2018
4	Mrs. Vijayalakshmi Rajaram Iyer	05242960	08/05/2018
5	Mr. Malay Kumar Sinha	08140223	28/05/2018
6	Ms. Sabina Vaisoha	00207306	04/10/2017

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 **MAKS & Co.,**  
**Company Secretaries**  
[FRN P2018UP067700]

Sd/-

**Ankush Agarwal**  
**Partner**

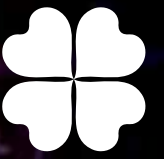
**Membership No:** F9719

**Certificate of Practice No:** 14486

**UDIN:** F009719B000426401

**Date:** July 08, 2020

**Place:** Noida



The background is a solid dark green color. It features several large, semi-transparent triangles in various shades of green, some pointing up and some pointing down. There are also several thin, light-colored lines (some brown, some black) scattered across the page, some forming a grid-like pattern and others being diagonal.

# **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 or the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, which comprises the Consolidated Balance Sheet as at March 31, 2020, 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, 2020, of consolidated loss (including Other Comprehensive Income), consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Qualified Opinion

The Basis of Qualification given in Auditors Report of subsidiary companies are reproduced here under:

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

i. We refer to -

- a. Our Modified Audit Report dated May 20, 2019 and May 30, 2018 (first audit carried out by us) on accounts for the financial year ended March 31, 2019 and March 31, 2018 respectively and;
- b. Our report to Ministry of Company Affairs (MCA) under section 143(12) in the financial year ending March 31, 2019 (wherein we also stated that we do not have access to the intermediate borrowing companies) and;
- c. The subsequent forensic report summarized in SEBI order dated March 14, 2019 and September 11, 2019 and in the above context, we state as under:

- 1) Attention is invited to note no 5.2 of Consolidated Ind AS financial statements in relation to 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 Vilas Bank (LVB) against the loans given to promoter group companies in the previous years continued to be under litigation at Hon'ble High Court of Delhi for declaration and recovery. However, during the year ended March 31, 2020, RFL has filed an amendment to its original application stating that appropriations of FDs by LVB was illegal as LVB had colluded and conspired with the old promoters and Ex Directors and two other entities. RFL has also filed a criminal complaint before the Economic Offences wing (EOW), Delhi. As explained, the EOW has also filed its Charge Sheet against senior LVB officials in this matter and Enforcement Directorate has lodged an ECIR on the basis of FIR. Pending disposal of the case, we are unable to comment on the status of recoverability and classification of the reported balance.
- 2) 1) Attention is invited to note no 7.2 of Consolidated Ind AS financial statements in relation to loans given to certain companies appearing in Corporate Loan Book (CLB portfolio) aggregating to Rs 203,670 lakhs as on March 31, 2020 (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 2 (a) (i) (b) above] {Expected Credit Loss (ECL) fully provided for; no further loans have been given during the financial year ended on March 31, 2020} and proceedings launched by 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.





Based on the due diligence report and the replies filed by the borrowers before the Hon'ble NCLT Delhi, the RFL had also filed a criminal complaint before the EOW, Delhi, on which a F.I.R. has been registered and is explained to be under investigation. We were also informed that the Zonal Office of Enforcement Directorate has lodged an enforcement case under the Prevention of Money Laundering Act on the basis of said FIR.

- II) Further, RFL has subscribed to Non-Convertible Debentures of a corporate entity of Rs. 20,000.00 lakhs in December 2016 [Impairment of Rs 17,797.55 lakhs considered till March 31, 2020] (Rs 13,004.70 lakhs till March 31, 2019)]. Due to default in making repayment of NCD to RFL, it has filed the case against the party under Insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Kolkata, who had issued liquidation order dated October 22, 2019. RFL has also filed a criminal complaint before the EOW, Delhi and a FIR has been registered on the said complaint.

Considering the pending decision of Hon'ble Supreme Court of India and Hon'ble NCLT Delhi in para 2(a) (2) (I) above and Hon'ble NCLT, Kolkata in para 2(a) (2) (II) above, we are unable to comment on adequacy of provision, any additional financial and legal implications on the accompanying Statement.

**b) Religare Housing Development Finance Corporation Limited ("RHDFCL")**

- i. Attention is invited to note no 46(g)(ii) of Consolidated Ind AS financial statements in relation to transaction with a trust namely "RARC 059 (RHDFCL HL) "(special purpose vehicle) wherein during the previous financial year 2018-19, Gross NPA of Rs. 3,038.13 lakhs were sold for a value of Rs. 2,278.60 lakhs & Trust has issued security receipts (SR) in the ratio of 85:15. As informed by RHDFCL, based on the legal opinion obtained it was a true sale. Considering that RHDFCL had derecognized NPA loan receivables and had recognized security receipts as investments in the books of accounts. As per Ind AS-109, de-recognition of financial assets shall take place only if substantial risk and reward has been transferred. However, in the referred transaction of security receipts, RHDFCL 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 ended 31<sup>st</sup> March 2019 would have decreased by Rs. 96.78 lakhs.

Had these NPA loan receivables not been derecognized as on 31<sup>st</sup> March 2020, classification of loans into investments would not have changed and profit for the year ended 31<sup>st</sup> March 2020 would have decreased by Rs. 128.02 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.

**Material Uncertainty Related to Going Concern:**

- a) We draw attention to Note no. 54(e) of Consolidated Ind AS financial statements, which indicates that the RFL has continued to incur losses in the current year, which has resulted in substantial erosion of its Net Worth, Negative Net Owned Fund and Capital Risk Adjusted Adequacy Ratio (CRAR) i.e. (40.82%) as on March 31, 2020. Besides this, RFL has default in repayment of its obligation towards its lenders and an amount of Rs. 1,77,121.48 lakhs are overdue as on March 31, 2020 along with continuing restrictions imposed by the RBI on the RFL to carry out business indicate the existence of the material uncertainty that may cast significant doubt on the RFL's ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note, the accounts of the RFL have been prepared as a Going Concern. Our opinion is not modified in respect of this matter.
- b) We draw attention to Note No. 45 a(iv) of the Consolidated Ind AS financial statements in respect of RCTL, which indicates that the RCTL's liabilities exceed the underlying assets due to continued losses and thus erosion of its Net Worth as on March 31, 2020. Besides this, RCTL has no business plans as on the reporting date indicate the existence of the material



uncertainty that may cast significant doubt on the RCTL's ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note including board approval of scheme of amalgamation with Holding Company, Religare Enterprises Limited (REL) & letter of comfort of excess liabilities, the accounts of RCTL have been prepared as a Going Concern.

Our opinion is not modified in this matter

### Emphasis of Matter

- i. Attention is invited to note no 45(a)(II) of the consolidated Ind AS financial statements of the company relating to pending Company'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. However, the company has got favourable legal opinion in relation to the legal and financial liabilities arising out of such delayed redemption post considering the pending litigations and complaint filed by the company with EOW & petition with Hon'ble NCLT, Delhi and also provided adhoc provision towards any adverse outcome of such litigation. We have relied on the management assessment.
- ii. We refer to note no. 2.2(C) of the consolidated Ind AS financial statements in relation to non-consolidation of financials of Religare Capital Markets Limited, subsidiary of the Company, having the negative networth of Rs. 61971.95 lakhs based on last available audited accounts for the financial year ending 31<sup>st</sup> March 2017, 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.
- iii. We draw attention to note no. 2.1(iv) of the consolidated Ind AS financial statements which states the management's evaluation of COVID-19 impact on the operation of the group.

We draw attention to the following matters of the subsidiary Companies:

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

- i. We refer to our modified audit report dated May 20, 2019 and May 30, 2018, on audited annual accounts for the financial year ending on March 31, 2019 and March 31, 2018 respectively, 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 ended March 31, 2017) and expect that there will not be any obligation on RFL out of these cases. Refer Note no. 45(a)(VI) of the consolidated Ind AS financial statements
- ii. RFL continued to carry Deferred Tax Assets amounting to Rs. 49,315.69 Lakh as at March 31, 2020 (Rs 49,315.69 lakhs as of 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 no 12.1 of Consolidated Ind AS financial Statements

#### b) Religare Comtrade Limited ("RCTL")

- i. The nature of operations of the RCTL 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, RCTL is not required to be registered as NBFC based on legal opinion obtained by it.

#### c) Religare Advisors Limited (Formerly known as Religare Wealth Management Limited) ("RAL")

- i. We refer to note no 54(h) of Consolidated Ind AS financial statements with respect to the accounts of RAL, indirect subsidiary of the Holding Company continued to be prepared on realizable value basis in the year ended March 31, 2020 in view of no commercial operations for the last three 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>                      The Holding Company has investment in its subsidiaries, which were valued at fair value as on 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 carrying value of these investments to be at a high risk of significant misstatement or to be subject to a significant level of judgement, except for the determination of impairment in the carrying value of such investments determined based on appropriate methodology followed by the company for the subsidiaries. This involves significant estimates and judgement, due to inherent uncertainty involved in forecasting future cash flows and in selection of appropriate methodology.</p> <p>On account of major investments in material subsidiaries as indicated above in context of total investment of the company, this is considered to be significant to our overall audit strategy and planning.</p>	<p><b>Our audit procedures included:</b>                      Besides obtaining an understanding of Management's processes and controls regarding testing the investments for impairment, our procedures included the following: -</p> <ul style="list-style-type: none"> <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> <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>- Comparing the carrying amount of the investments with the expected value of the business based on market approach, income approach, suitable multiple of stock price to book value of the subsidiary's peer companies, discounted cash flow method, development affecting the projected financials of such subsidiaries as applicable</li> <li>- Comparing the carrying value of investments with the transactions related to sale/purchase of such investments including any offers, close to reporting date from unrelated parties</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 RFL 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 RFL 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>a. Segmentation of Loan book</li> <li>b. Criteria for Loan staging</li> <li>c. Calculation of probability of default/loss given default</li> <li>d. Availability and realizability of underlying security</li> </ol> <p>There is a large amount of 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 RFL.</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 RFL regarding definition of default, Probability of Default, Loss Given Default, Regulatory requirements 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 RFL,</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 RFL in making accelerated provision considering forward looking information &amp; regulatory requirements.</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 RFL 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**

- a) We did not audit the financial statements of three subsidiary companies whose financial statement reflect total assets Rs.205,354.11 Lakhs as at March 31,2020 total revenue of Rs. 1,65,392.01 lakhs and total net profit/(loss) after tax of



Rs. 6,733.36 lakhs and total comprehensive Income/(loss) of Rs. 8,619.02 lakhs for the year ended March 31, 2020 as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors, whose report has 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 subsidiary companies, are based solely on the report of the other auditors.

- b) We did not audit the financial statement of one subsidiary company incorporated outside India, whose financial statements reflected total assets of Rs. 64.04 lakhs as at March 31, 2020, total revenue of Nil, total net profit/(Loss) after tax of Rs (2.93) lakhs and total comprehensive income/(Loss) of Rs (2.93) lakhs for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. This financial statement is unaudited and 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 subsidiary are based solely on the certificate furnished by the management.
- c) Consolidated Ind AS Financial statements includes group' and jointly controlled entity's share of net profit/(loss) after tax of Rs. (13.14) Lakhs for the year ended March 31, 2020 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 auditor.

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.

### **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, 2020 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, 2020 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 with reference to financial statements 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, 2020 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

**NAVEEN AGGARWAL**

Partner  
Membership No.: 094380  
UDIN 20094380AAAAEU9277

Place: New Delhi  
Date: 28<sup>th</sup> July 2020



### **“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, 2020, we have audited the internal financial controls with reference to financial statements 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 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 financial controls with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements of the Holding Company, its subsidiaries and jointly controlled entity, which are incorporated in India.

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

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

#### **Inherent Limitations of internal financial controls with reference to financial statements**

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





## Qualified Opinion

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 weakness has been identified in the RFL's internal financial controls with reference to financial statements :-

- a) During the year, the RFL has not disbursed any fresh loan considering the ongoing restriction by the regulator, RBI. Accordingly, adequacy of internal financial control system with reference to financial statement 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 when operations were in place.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as on March 31, 2020, based on the internal financial controls with reference to financial statements 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

**NAVEEN AGGARWAL**

Partner

Membership No.: 094380

UDIN 20094380AAAAEU9277

Place: New Delhi

Date: 28<sup>th</sup> July 2020



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	4	37,240.19	17,200.33
Bank Balance Other Than Above	5	108,213.62	112,110.26
Receivables			
- Trade Receivables	6	9,380.06	34,630.13
Loans	7	310,519.10	505,559.77
Investments	8	202,305.92	143,775.10
Other Financial Assets	9	22,600.45	19,968.13
<b>Non Financial Assets</b>			
Inventories	10	46.54	9.67
Current Tax Assets (Net)	11	28,267.42	32,750.35
Deferred Tax Assets (Net)	12	51,959.19	52,393.00
Property, Plant and Equipment	13	12,522.75	2,857.17
Goodwill	14	972.04	972.04
Other Intangible Assets	15	4,002.08	4,448.50
Capital Work-in-Progress	16	-	67.50
Intangible Assets Under Development	17	1,323.82	1,318.75
Other Non-Financial Assets	18	23,664.68	29,209.07
<b>Total Assets</b>		<b>813,017.86</b>	<b>957,269.77</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		2.07	47.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		29,219.85	28,437.16
- 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		16,638.93	14,053.94



Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Borrowings (Other than Debt Securities)	21	479,156.55	615,212.44
Subordinated Liabilities	22	56,474.70	56,442.57
Other Financial Liabilities	23	112,557.88	56,542.70
<b>Non-Financial Liabilities</b>			
Provisions	24	2,299.31	1,514.90
Other Non-Financial Liabilities	25	97,238.95	79,795.16
<b>Total Liabilities</b>		<b>793,588.24</b>	<b>852,045.90</b>
<b>EQUITY</b>			
Equity Share Capital	26	25,812.82	21,694.27
Other Equity	27	(15,711.23)	61,610.68
<b>Equity Attributable to Owners of the Company</b>		<b>10,101.59</b>	<b>83,304.95</b>
Non Controlling Interest	28	9,328.03	21,918.92
<b>Total Equity</b>		<b>19,429.62</b>	<b>105,223.87</b>
<b>Total Liabilities And Equity</b>		<b>813,017.86</b>	<b>957,269.77</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/-  
**RASHMI SALUJA**  
Executive Chairperson  
DIN- 01715298

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
Director  
DIN-00941922

Sd/-  
**NITIN AGGARWAL**  
Group - CFO

Sd/-  
**REENA JAYARA**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : July 28, 2020

Place : New Delhi  
Date : July 28, 2020



# Statement of Consolidated Profit and Loss

## For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Income</b>			
Revenue From Operations			
Interest Income	29	63,432.29	93,162.32
Dividend Income		5.22	5.22
Fee and Commission Income	30	3,404.82	5,943.13
Sale of Services	31	16,807.03	19,623.77
Other Revenue From Operations	32	151,886.62	109,971.23
<b>Total Revenue From Operations</b>		<b>235,535.98</b>	<b>228,705.67</b>
Other Income	33	4,211.87	9,395.43
<b>Total Income</b>		<b>239,747.85</b>	<b>238,101.10</b>
<b>Expenses</b>			
Finance Costs	34	84,926.11	84,998.16
Fee and Commission Expenses	35	4,598.73	5,243.51
Net Loss on Fair Value Changes	36	137.50	248.40
Impairment and Loss Allowances on Financial Instruments (Net)	37	37,423.69	139,055.29
Expense Towards Capital Commitment / Settlement	37A	894.85	-
Employee Benefit Expenses	38	54,554.94	51,762.86
Depreciation, Amortization and Impairment	39	6,084.35	2,573.14
Other Expenses	40	137,126.11	104,564.00
<b>Total Expenses</b>		<b>325,746.28</b>	<b>388,445.36</b>
<b>Profit / (Loss) Before Exceptional Items and Tax</b>		<b>(85,998.43)</b>	<b>(150,344.26)</b>
<b>Exceptional Items</b>			
Expense Towards Capital Commitment / Settlement	54(o)	(17,000.00)	-
		<b>(102,998.43)</b>	<b>(150,344.26)</b>
Share in Profit / (Loss) of Joint Ventures	48	(13.14)	(8.96)
<b>Profit / (Loss) Before Tax</b>		<b>(103,011.57)</b>	<b>(150,353.22)</b>
<b>Income Tax Expense / (Credit):</b>			
Current Tax	41	299.91	429.98
Deferred Tax (Net)		486.08	(688.14)
<b>Profit / (Loss) For The Year</b>		<b>(103,797.56)</b>	<b>(150,095.06)</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		(861.94)	(41.05)
Income Tax Impact on Above Item		-	-
→Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI		101.35	104.06
Income Tax Impact on Above Items		-	-
<b>Subtotal (A)</b>		<b>(760.59)</b>	<b>63.01</b>

# Statement of Consolidated Profit and Loss

For the year ended March 31, 2020



Particulars	Note No.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(B) Items That Will be Reclassified to Profit or Loss			
→Net Gain / (Loss) on Debt Securities FVTOCI		2,152.57	332.33
Income Tax Impact on Above Item		-	-
→Exchange differences on translation of financial statements of foreign operations		(8.23)	-
Income Tax Impact on Above Item		-	-
<b>Subtotal (B)</b>		<b>2,144.34</b>	<b>332.33</b>
<b>Other Comprehensive Income (Net of Tax) (A + B)</b>		<b>1,383.75</b>	<b>395.34</b>
<b>Total Comprehensive Income For The Year</b>		<b>(102,413.81)</b>	<b>(149,699.72)</b>
<b>Profit/(Loss) for the year attributable to:</b>			
a) Owners of the Company		(93,246.95)	(128,716.65)
b) Non Controlling Interest	28	(10,550.61)	(21,378.41)
		<b>(103,797.56)</b>	<b>(150,095.06)</b>
<b>Other Comprehensive Income attributable to:</b>			
a) Owners of the Company		1,190.58	364.79
b) Non Controlling Interest	28	193.17	30.55
		<b>1,383.75</b>	<b>395.34</b>
<b>Total Comprehensive Income attributable to:</b>			
a) Owners of the Company		(92,056.37)	(128,351.86)
b) Non Controlling Interest	28	(10,357.44)	(21,347.86)
		<b>(102,413.81)</b>	<b>(149,699.72)</b>
<b>Earnings Per Equity Share (In Rs)</b>	42		
Basic (Face value of Rs 10 each, fully paid up)		(39.55)	(63.32)
Diluted (Face value of Rs 10 each, fully paid up)		(39.62)	(63.32)
<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

Sd/-

**Naveen Aggarwal**

Partner

Membership No. 094380

Sd/-

**RASHMI SALUJA**

Executive Chairperson

DIN- 01715298

Sd/-

**NITIN AGGARWAL**

Group - CFO

Sd/-

**SUSHIL CHANDRA TRIPATHI**

Director

DIN-00941922

Sd/-

**REENA JAYARA**

Company Secretary

Membership No. A19122

Place : New Delhi

Date : July 28, 2020

Place : New Delhi

Date : July 28, 2020



# Statement of Consolidated Changes in Equity

## For the year ended March 31, 2020

### (a) Equity Share Capital

Equity shares of Rs 10 each issued, subscribed and fully paid	Note No.	Nos.	Amount (Rs. in Lakhs)
<b>At March 31, 2018</b>		<b>178,455,248</b>	<b>17,845.52</b>
Increase / (Decrease) During The Year	26	38,487,485	3,848.75
<b>At March 31, 2019</b>		<b>216,942,733</b>	<b>21,694.27</b>
Increase / (Decrease) During The Year	26	41,185,419	4,118.55
<b>At March 31, 2020</b>		<b>258,128,152</b>	<b>25,812.82</b>

### (b) Other Equity

Particulars	Reserves and Surplus											Other Comprehensive Income				Amount (Rs. in Lakhs)			
	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 for Control	Debt Redemption Reserve	Employee Stock Option Reserve	Impairment Reserve	Retained Earnings	Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	Fair Value Gain / (Loss) on Equity Instruments Designated as FTOCI	Net Gain / (Loss) on Debt Securities FVTOCI	Exchange Differences on translating the financial statements of foreign subsidiaries	Reserve on Forfeiture of Share Warrant	Money Received against Share Warrants	Attributable to Owners of the Company	Non Controlling Interest
As at March 31, 2018	351,878.66	1,123.14	6,525.65	8,882.34	24,198.20	35,430.63	-	790.75	-	-	(265,292.48)	44.18	(62.42)	2,657.09	-	-	165,807.87	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	-	-	-	-	-	-	-	-	-	-	346.34	-	-	-	-	-	346.34	(948.34)	-
# Transfer to/from Retained Earnings and Other Reserves	-	-	-	-	790.75	144.98	(790.75)	-	-	-	(144.98)	-	-	-	-	-	0.00	(0.00)	-
# 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	-	-	14,578.35
# Share warrant money utilised	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,032.24)	(5,032.24)	(5,032.24)	-	-	(5,032.24)
# Proceed from issuance of shares to NCI share holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,633.72	1,633.72
# Others	-	-	-	-	-	(3,261.56)	-	-	-	-	-	-	-	(18.80)	-	(3,280.36)	-	-	(3,280.36)
# Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	(25.55)	94.08	302.52	-	-	371.05	24.29	395.34	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	(3,261.56)	-	1,254.31	-	(393,805.77)	18.63	31.66	2,638.29	-	9,546.11	61,610.68	21,918.92	83,529.60
# Profit / (Loss) for the Year	-	-	-	-	-	-	-	-	-	-	(93,246.95)	-	-	-	-	-	(93,246.95)	(10,550.61)	(103,797.56)
# On account of change in NCI	-	-	-	-	-	-	-	-	-	-	164.70	-	-	-	-	-	164.70	(164.70)	-
# Transfer to/from Retained Earnings and Other Reserves	-	-	-	-	84.77	-	-	-	-	9,985.77	(10,070.54)	-	-	-	-	-	-	-	-
# On Employee Stock Options	-	-	-	-	-	-	-	-	2,049.13	-	-	-	-	-	-	-	2,049.13	257.47	2,306.60
# Securities Premium increase due to conversion of Share warrant into Equity Share	17,421.43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,421.43	-	17,421.43



Particulars	Reserves and Surplus										Other Comprehensive Income			Exchange Differences on translating the financial statements of foreign subsidiaries	Reserve on Forfeiture of Share Warrant	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	Impairment Reserve	Retained Earnings	Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	Fair Value Gain / (Loss) on Equity Instruments Designated as FVOCI						
# Share in Securities Premium received on issuance of shares to NCI in a subsidiary	1,701.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,701.68	-	1,701.68	
# Money Received against Share Warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,154.98	16,154.98	-	16,154.98	
# Share warrant money utilised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,539.97)	(21,539.97)	-	(21,539.97)	
# Proceed from issuance of shares to NCI share holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,161.45	1,161.45	
# Impact of purchase of NCI by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,473.59)	(3,473.59)	
# Others	-	-	-	-	-	(1,231.58)	-	-	-	-	-	-	-	-	-	(1,231.58)	-	(1,231.58)	
# Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	(792.25)	89.90	1,915.25	(8.23)	-	-	1,204.67	1,79.08	
As at March 31, 2020	387,281.98	1,123.14	6,525.65	8,882.34	24,988.95	35,660.38	(4,493.14)	3,303.44	9,985.77	(496,958.56)	(773.62)	121.56	1,848.70	2,630.06	4,161.12	(15,711.23)	9,528.03	(6,383.20)	

**Notes:**

**Money Received against Share Warrants:** Refer Note 26.8.

Refer Note 27.1 for nature and purpose of the different reserves.

**This is the Consolidated Statement Of Changes In Equity referred to in our report of even date**

**For S KOTHARI MEHTA & COMPANY**

Firm Registration No. 000756N

Chartered Accountants

Sd/-  
**Naveen Aggarwal**  
Partner

**Membership No. 094380**

Sd/-  
**RASHMI SALUJA**  
Executive Chairperson  
DIN- 01715298

Sd/-  
**NITIN AGGARWAL**  
Group - CFO

**For and on behalf of the Board of Directors**

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
Director  
DIN-00941922

Sd/-  
**Reena Jayara**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : July 28, 2020

Place: New Delhi  
Date: July 28, 2020



# Consolidated Cash Flow Statement

## For the year ended March 31, 2020

Particulars	Amount (Rs. in Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>A. Cash Flow From Operating Activities:</b>		
<b>Net Profit / (Loss) Before Tax</b>	<b>(103,011.57)</b>	<b>(150,353.22)</b>
Adjustments for:		
Depreciation and Amortisation	6,084.35	2,573.14
Interest Expense	84,512.95	84,541.79
Interest Income*	(15,477.05)	(14,313.47)
Dividend Income	(5.22)	(5.22)
Share of (Profit) / Loss of Associates and Joint Ventures	13.14	8.96
(Profit)/Loss on Selling of PPE and Intangible Assets Under Development (Net)	(84.13)	(49.55)
(Profit)/Loss on Selling of Other Investments (Net)	(1,035.92)	(4,400.18)
(Profit) / Loss on sale of Flats Under Construction- Held for Sale	-	(1.35)
Remeasurement Gain or (Loss) on Defined Benefit Plans	(861.94)	(41.05)
Employee Stock Option Expenses / Reserve	2,306.60	1,398.87
Bad Debts, Balances and Loans Written Off	2,525.06	8,652.91
Provision Made / (Reversed) Against Loans (Net)	4,280.00	123,878.15
Provision Against Investments and Investment Written Off	5,260.48	7,004.70
Provision Against Trade Receivables	115.74	1,097.96
Provision Against Other Financial Assets	115.40	492.28
Provision Against Other Non-Financial Assets	2,009.26	495.21
Provision for Gratuity and Leave Encashment (written off) / created	784.41	53.98
(Gain) / Loss on Financial Assets Measured at Fair Value Through Profit or Loss (Net)	137.50	-
Translation Reserve	(0.16)	(18.80)
Expense Towards Capital Commitments	17,894.85	-
Expense Towards Contingency	673.99	-
Amortisation of Excess Interest Spread	531.15	232.47
<b>Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>6,768.89</b>	<b>61,247.58</b>
<b>Adjustments for Changes in Operating Assets and Liabilities:</b>		
- (Increase)/Decrease in Trade Receivables	24,948.38	(4,976.13)
- (Increase)/Decrease in Loans	188,421.55	275,199.44
- (Increase)/Decrease in Other Financial Assets	(3,272.38)	(2,883.84)
- (Increase)/Decrease in Inventories	(36.87)	(5.62)
- (Increase)/Decrease in Other Non-Financial Assets	3,025.04	8,145.15
- Increase/(Decrease) in Trade and Other Payables	3,322.72	2,502.25
- Increase/(Decrease) in Other Financial Liabilities	(1,472.22)	3,666.21
- Increase/(Decrease) in Other Non-Financial Liabilities	17,443.80	15,125.31
<b>Cash Used/ generated in/ from operations before taxes</b>	<b>239,148.91</b>	<b>358,020.35</b>
- Taxes Refunded / (Paid) (Net)	4,130.75	(2,549.54)
<b>Net Cash Generated / (Used) from / in Operating Activities</b>	<b>243,279.66</b>	<b>355,470.81</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Property, Plant and Equipments and Other Intangible Assets	(2,454.14)	(2,736.80)
Proceeds from sale of Property, Plant and Equipments and Other Intangible Assets	198.08	163.28
Proceeds From Sale of Flats Under Construction Held For Sale	-	185.32
Intangible Assets Under Development and Capital Works in Process	(37.82)	(657.85)
Proceeds from Sale of Other Investments	98,576.72	67,258.68
Purchase of Other Investments	(159,228.82)	(93,493.79)
Change in Bank Balances other than Cash and Cash Equivalents	3,896.64	14,917.01
Interest Received (Revenue)	15,470.55	11,273.95
Dividend Received (including dividend from an associate)	5.22	5.22
<b>Net Cash Generated / (Used) from / in Investing Activities</b>	<b>(43,573.57)</b>	<b>(3,084.98)</b>



# Consolidated Cash Flow Statement

## For the year ended March 31, 2020



Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>C. Cash Flow From Financing Activities:</b>		
Proceeds from issue of Equity Share Capital and Share warrants (including securities premium) (Net)	16,155.00	29,675.07
<b>Proceeds/ (Repayment) for Debt Securities (Net):</b>		
- Debentures	-	(34,093.45)
- Commercial Papers	-	(10,792.93)
<b>Proceeds/ (Repayment) for Borrowings (Other than Debt Securities) (Net):</b>		
- Term Loans	(109,756.24)	(274,649.91)
- Loan Repayable on Demand	(21,331.98)	228.55
<b>Proceeds/ (Repayment) for Subordinated Liabilities (Net):</b>		
- Debentures	106.71	-
- Term Loans	(74.58)	93.94
Principal Payment of Lease Liability	(2,846.88)	(96.38)
Payment for Acquiring the Shares held by Non-Controlling Interest	(4,705.15)	(3,261.56)
Proceeds from the Shares issued to Non-Controlling Interest	2,863.12	1,633.70
Interest Paid on Lease Liability	(1,054.82)	-
Interest Paid other than on Lease Liability	(51,104.44)	(90,642.88)
Payment against Capital Commitments	(2,594.85)	-
<b>Net Cash Generated / (Used) from / in Financing Activities</b>	<b>(174,344.11)</b>	<b>(381,905.85)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>25,361.98</b>	<b>(29,520.02)</b>
<b>Add: Cash and Cash Equivalents at the beginning of the Year</b>	<b>11,872.85</b>	<b>41,392.87</b>
<b>Add: Effect of Exchange difference on Translation of Foreign Currency Cash &amp; Cash Equivalents</b>	<b>5.36</b>	<b>-</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>37,240.19</b>	<b>11,872.85</b>
<b>Cash and Cash Equivalents at the end of the Year Comprises of (Refer Note 4)</b>		
Cash in Hand	3.98	2.32
Cheques on Hand	122.15	291.08
Stamp Papers On Hand	25.21	22.52
Balances with Banks in Current Accounts	36,892.85	14,734.41
Balances with Banks in Fixed Deposits Accounts	196.00	2,150.00
Bank Overdrafts	-	(5,327.48)
<b>Total</b>	<b>37,240.19</b>	<b>11,872.85</b>

\* Interest income does not include interest income from lending operations of Rs 47,955.24 Lakhs (March 31, 2019: Rs 78,834.56 Lakhs).

### 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.
- Previous year's figures have been regrouped and rearranged wherever necessary to conform to the current year classification.
- For reconciliation of liabilities arising from financing activities refer Note 44A.

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/-  
**RASHMI SALUJA**  
Executive Chairperson  
DIN- 01715298

Sd/-  
**NITIN AGGARWAL**  
Group - CFO

**For and on behalf of the Board of Directors**

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
Director  
DIN-00941922

Sd/-  
**REENA JAYARA**  
Company Secretary  
Membership No. A19122

Place : New Delhi  
Date : July 28, 2020

Place : New Delhi  
Date : July 28, 2020



## 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 all over India operating through its 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.

The Company has changed its registered office from 2nd Floor, Rajlok Building, 24, Nehru Place, New Delhi -110019 to First Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi –110001.

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 Company has adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. For detail please refer Note 49.

#### (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:**

The Company has 100% equity ownership of Religare Capital Markets Limited, which has been considered non-controlling entity of the Company. 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 Company's 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 Taxes and Deferred Taxes:**

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 Company 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 46.

→ **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 50.

→ **Lease:**

Calculation of leased assets and liabilities requires the use of both estimation and judgement. The determination of the lease term for each lease involves the Company assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. Several of the Company’s leases contain such clauses. For each lease, a conclusion was reached on the overall likelihood of the option being exercised.

In addition, the identification of an appropriate discount rate to use in the calculation of the lease liability involves both estimation and judgement. Where the lease’s implicit rate is not readily determinable, an incremental borrowing rate must be calculated by the Company.



The Company reassesses these estimates and judgements if a significant event or a significant change in circumstances occurs.

→ **Uncertainty relating to the global health pandemic on COVID-19:**

The 'Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)', generally known as COVID-19 is an evolving human tragedy declared a global pandemic by the World Health Organisation on March 11, 2020. This pandemic disrupted the social, economic and financial structures of the entire world. In India, from March 25, 2020 to May 31, 2020, the central government declared a national lockdown, restricting the movement of the entire population of the country as a preventive measure against the spread of COVID-19 during which only defined essential services were operating with limited capacity. The lockdown is being lifted in a phased manner. However, there remains a high level of uncertainty about the duration of the lockdown and the time required for life and business operations to normalise. The extent to which the COVID-19 pandemic will impact the Group's business and financial results including the expected credit loss on financial assets is dependent on future developments, which are highly uncertain.

In assessing the recoverability of receivables including loans granted, trade receivables, contract assets, investments and other financial assets and its non – financial assets including property plant and equipment, investment properties, right-of-use assets, goodwill, intangible assets and other assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

The impact of COVID-19 remains uncertain and may be different from what have been estimated as of the date of approval of these consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

REL is a diversified financial services company operating through its subsidiaries. Business specific uncertainty and impact due to COVID-19 are as under:

Non-Banking Financial Services (including Housing Finance)

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Non-Banking Financial and Housing Finance companies of the Group have granted a moratorium of upto six months, on payment of all installments falling due between March 1, 2020 and August 31, 2020 ('Moratorium Period') on all term loans, to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020 in accordance with the respective company's Board approved policy. The installments include principal and / or interest components, bullet repayments and equated monthly installments. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by six months after the moratorium period. Interest shall continue to accrue, at contractual rate, on the outstanding portion of the term loans during the moratorium period.

For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the prudential norms on Income Recognition, Asset Classification and Provisioning ("IRACP").

Share and Commodity Broking

The stock exchanges were permitted to function normally, as part of essential services, during the national lockdown and correspondingly the broking services and other functions of the Company have remained operational even during the COVID-19 lockdown. The broking companies of the Group have changed their operating model in line with the regulatory guidelines during lockdown by enabling Work from Home ("WFH") for dealers, operations and other functions by setting up of trading terminals & other applications to keep operating from our data center via secured VPN access to authorized employees. Employees were also facilitated to WFH and enabled through secured remote access to ensure business continuity with minimal disruption. The management of the broking companies doesn't foresee any material impact due to COVID-19 on the financial assets for the year ended March 31, 2020.

Health Insurance

In accordance with IRDAI Assets Liability and Solvency Margin Regulations, 2016, Premium Deficiency Reserve ("PDR") is to be maintained at insurer level, while a company needs to calculate PDR at segmental



level. However, considering that the COVID-19 is rapidly spreading in the country, and can substantially impact the claim level in future, and the 'Reserve for Unexpired Risk' held at the year end may not be adequate to meet the increased level of claims in future, Religare Health Insurance Company Limited ("RHICL"), a health insurance company in the group has created an additional provision of Rs 2,445.62 Lakhs towards Premium Deficiency, based on the review conducted and as advised by its Appointed Actuary, which is also in terms of accounting policy on PDR.

The Appointed Actuary has estimated this amount for lives which are exposed to risk as on March 31, 2020 under various indemnity policies of the RHICL. Considering, the impact of virus is still evolving across geographies, hence there is no / limited reliable data available. For estimation of PDR various studies published across countries were referred to assume certain proportion of population will get affected, which will result in certain number of hospitalization after taking the effect of effort taken by various government agencies on containment, limitation of medical infrastructure etc. These assumptions were used to project number of claims for the RHICL. Average Severity was estimated, after considering the proportion of population by age (as higher age have higher severity) which was typically in the range of 2 to 5 Lac (for claims in India geography). This led to an estimate of total expected claim incurred for the RHICL. The Appointed Actuary further varied the various assumption to create scenarios and selected one of the probable scenario to estimate the expected total claim, which was considered as gross PDR. Further net to gross factor (calculated based on actual data) was applied to estimate the net PDR.

(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 43.

(vi) **Impairment Reserve**

Impairment reserve, created by the non banking financials companies of the Group, as stipulated by the Reserve Bank of India ("RBI") (Refer Note 27(xi)), is rolled up to the consolidated financials after elimination the inter-companies transactions.

(vii) **Standards (i.e. Ind AS) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## 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 non-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, 2020	As at March 31, 2019	
<b>(a) Subsidiaries / Sub-Subsidiaries</b>			
Religare Finvest Limited <sup>1</sup>	100.00%	85.64%	India
Religare Commodities Limited (subsidiary of Religare Broking Limited)	100.00%	100.00%	India
Religare Housing Development Finance Corporation Limited (subsidiary of Religare Finvest Limited)	87.50%	87.50%	India
Religare Health Insurance Company Limited <sup>2</sup>	88.95%	89.67%	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>3</sup>	100.00%	100.00%	India
Religare Global Asset Management Inc., USA <sup>4</sup>	100.00%	100.00%	USA
Religare Broking Limited	100.00%	100.00%	India
Religare Insurance Limited	100.00%	100.00%	India
Religare Advisors Limited (formerly known as Religare Wealth Management Limited) (subsidiary of Religare Broking Limited)	100.00%	100.00%	India
Religare Credit Advisor Private Limited [formerly known as Religare Credit Advisors LLP]	99.99%	99.99%	India
Religare Business Solutions Limited (subsidiary of Religare Broking Limited)	100.00%	100.00%	India
<b>(b) Joint Ventures</b>			
IBOF Investment Management Private Limited (formerly known Quadria Investment Management Private Limited)	50.00%	50.00%	India

Note: Also refer Point (C) below.

<sup>1</sup> On February 11, 2020, the Company, entered into Share Purchase Agreements ("SPA") for acquisition of 3,76,41,204 equity shares of Religare Finvest Limited ("RFL"), a subsidiary of the Company, constituting 14.36% shareholding of RFL from Two private equity investors viz. Resurgence PE Investments Limited (formerly known as Avigo PE Investments Limited) ("Resurgence") and NYLIM Jacob Ballas India Fund III, LLC ("Jacob Ballas") (together "Investors"). Further, a Consent Term Agreement had been entered amongst the parties whereby the parties had agreed to amicably settle all the existing disputes initiated by the Investors against the Company and RFL in accordance with the terms set out therein. Accordingly, in terms of the SPA, the 14.36% stake of RFL was acquired from the Investors and RFL became a wholly owned subsidiary of the Company w.e.f. February 28, 2020.



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2020

The Company had entered into a SPA on October 01, 2019 for the proposed divestment of the lending business under RFL and Religare Housing Development Finance Corporation Limited to TCG and its associates. In this matter, RBI vide its letter dated March 20, 2020 addressed to RFL, has informed that the request seeking approval of acquisition of RFL by TCG from REL cannot be acceded to. As the Long Stop Date of March 20, 2020 has expired without closing of the transaction as stipulated in the SPA, the SPA stands terminated.

<sup>2</sup> Subsequent to the year end the Company has divested part of its investment in Religare Health Insurance Company Limited ("RHICL"), a subsidiary of the Company on June 02, 2020 for a consideration of Rs 20,000 Lakhs to Trishikhar Ventures LLP, a subsidiary of Kedaara Capital Fund II LLP LLP (jointly referred as "Kedaara"). The total investment made by Kedaara to acquire shares of RHICL is Rs 56,731 Lakhs which comprises of primary capital infusion of Rs 30,000 Lakhs in RHICL and Rs 26,731 Lakhs for the purchase of RHICL shares from existing shareholders of RHICL, including purchase of 6.39% stake from the Company against a consideration of Rs 20,000 Lakhs. Pursuant to these transactions, the shareholding of the Company in RHICL would stand at 72.02% on a paid up equity share capital basis.

<sup>3</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>4</sup> The Board of Directors of the erstwhile holding company RGAM Investment Advisers Private Limited ("RGAMIAPL") at its meeting held on May 25, 2016, has given its consent to liquidate the Religare Global Asset Management Inc., USA ("RGAM Inc"). The Company is evaluating various options including voluntary winding up of RGAM Inc, subject to compliance with the provisions of the laws applicable to it in the United States of America.

Note-1: On December 18, 2019, the Board of Directors of the Company approved, subject to requisite approvals, the draft Scheme of Amalgamation ("Scheme") that is designed to simplify the Group corporate structure. In terms of the Scheme, four direct / indirect wholly owned subsidiaries of the Company namely, Religare Comtrade Limited, Religare Insurance Limited, Religare Advisors Limited and Religare Business Solutions Limited will merge with / into the Company subject to terms and conditions as provided in the Scheme. The Scheme shall be submitted with the Hon'ble NCLT in due course of time. Further, the earlier Scheme approved by the Board on May 23, 2019 was withdrawn accordingly.

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.

RBL, being a securities and commodities broking business entity acquired, for better synergy, on September 07, 2019 commodities broking business of its 100% subsidiary, RCL, a commodities broking business entity, as a 'slump sale' (as defined as per section 2 (42C) of the Income Tax Act, 1961) as per agreement dated August 07, 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, 2020	As at March 31, 2019	
Religare Capital Markets Limited	100.00%	100.00%	India
Religare Capital Markets International (Mauritius) Limited	100.00%	100.00%	Mauritius
Religare Capital Markets Corporate Finance Pte. Limited **	100.00%	100.00%	Singapore
Religare Capital Markets (Europe) Limited **	100.00%	100.00%	United Kingdom
Religare Capital Markets (UK) Limited*	100.00%	100.00%	United Kingdom
Religare Capital Markets Inc.**	100.00%	100.00%	USA
Tobler UK Limited**	100.00%	100.00%	United Kingdom
Kyte Management Limited ("KML") **	100.00%	100.00%	BVI
Religare Capital Markets (Hong Kong) Limited** (subsidiary of Kyte Management Limited)	100.00%	100.00%	Hong Kong
Religare Capital Markets (Singapore) Pte. Limited** (subsidiary of Religare Capital Markets (Hong Kong) Limited)	100.00%	100.00%	Singapore
Bartleet Religare Securities (Private) Limited@ ** (formerly known as Bartleet Mallory Stock Brokers (Private) Limited)	50.00%	50.00%	Sri Lanka
Bartleet Asset Management (Private ) Limited@ ** (subsidiary of Bartleet Religare Securities (Private) Limited)	50.00%	50.00%	Sri Lanka
Strategic Research Limited@ ** (subsidiary of Bartleet Religare Securities (Private) Limited)	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%	Sri Lanka

\*\* Subsidiary / Sub-subsidiary of Religare Capital Markets International (Mauritius) Limited.

@ Board controlled subsidiary.

### 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 (%)
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%
Right-of-Use Assets*	Lease Period		Lease Period	
Leasehold Improvement**	Lease Period		Lease Period	

\* Company' Right-of-Use Assets mainly consist of office premises, motor vehicles and office equipments and are amortized over the 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
- (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 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**

The Company has applied Ind AS 116, 'Leases' using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 17. For transitional adjustments please refer Note 49.

**Policy applicable from April 1, 2019**

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

(i) **Company As a lessee:**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for leases of property, the Company has elected not to separate non – lease components and account for the lease and non – lease components as a single lease component.

The Company recognizes a right – of – use asset and a lease liability at the lease commencement date. The right- of – use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right- of – use asset is subsequently depreciated using the straight – line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right – of – use asset reflects that the Company will exercise a purchase option. In that case the right – of – use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right – of – use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payment included in the measurement of lease liability comprise the following:

# Fixed payments, including in – substance fixed payments;

# Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

# Amounts expected to be payable under a residual value guarantee; and

# The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in – substance fixed lease payment.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right – of – use asset, or is recorded in profit or loss if the carrying amount of the right – of – use asset has been reduced to zero.

The Company presents right – of – use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities under the head 'Other Financial Liabilities'.

### Short – term leases and leases of low value assets

The Company has elected not to recognize right – of – use assets and lease liabilities for leases of low – value assets and short – term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight – line basis over the lease term.

### (ii) **Company As a lessor:**

A lessor is an entity that provides the right to use an underlying asset for a period of time in exchange for a consideration. The Company, in cases, where it is a lessor, classify each of its leases as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset.

### Finance Lease

At the commencement date of the lease, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Thereafter, the Company recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

### Operating Lease

The Company recognizes lease payments from operating leases as income either on a straight-line basis or another systematic basis if that systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

### **For the previous year ended March 31, 2019**

- (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 basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.
- (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 Company 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 the 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.

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 Company 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.

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.

It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. To the extent possible, the Company 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 company’s empaneled valuers.

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.

**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 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 Company, 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 Company 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 Company 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 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 Company 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. 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 Company'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 Company 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 Company 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) **Income from direct assignment:** Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

**(x) Other Income**

- Charges recoverable from customers are recognised upon receipt of the same.
- Interest income on fixed deposit and bonds are recognised on time proportion basis.
- Income from mutual fund investment is recognised upon receipt of the same.
- Income from brokerage is recognized on accrual basis when the company 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.
- Revenue from E-Governance Services [ Except Digital Signature Certificate (DSC) with and without USB token] is recognized at point in time when acknowledgement is issued by the Branch. Sales of DSC Token with or without USB are recognised on transfer of significant risks and rewards of ownership to the buyer as per the terms of contract, and no uncertainty exists regarding the amount of consideration that will be derived from sales of DSC.
- Revenue from National Pension System (“NPS”) towards initial subscriber registration, contribution upload charges and other transaction charges are booked on receipt basis.
- Insurance agency income on first year premium of insurance policies is recognised, when an insurance policy sold by the Company is accepted by the principal insurance company. Renewal commission on policy is accounted for on receipt on renewal premium by the principal insurance company.

(xi) 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 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 in the Revenue Account, 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 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 Company 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 Company 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 Company. 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 Company 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 Company'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.

##### Compensated Absences / Leave Encashment

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.

##### 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:

- ▶ 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

The employees of the Group are entitled leave benefits as per the policy of the Company. 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 Company 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' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes 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 Company 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, 2020

(Amount in Rs. lakhs, unless otherwise stated)

4. Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash On Hand	3.98	2.32
Balances With Banks		
# In Current Accounts	36,892.85	14,734.41
# In Fixed Deposits With Maturity Of Less Than 3 Months	196.00	2,150.00
Cheques On Hand	122.15	291.08
Stamp Papers On Hand	25.21	22.52
<b>Total</b>	<b>37,240.19</b>	<b>17,200.33</b>

Cash and cash equivalents consists of the following for the purpose of the 'cash flow statement':

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents (as above)	37,240.19	17,200.33
Bank Overdrafts	-	(5,327.48)
<b>Total</b>	<b>37,240.19</b>	<b>11,872.85</b>

5. Bank Balances (Other than Cash and Cash Equivalent)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances With Banks In Current Accounts <sup>^</sup>	8,764.18	-
Earmarked Balances With Banks	100.84	103.10
Fixed deposit with maturity for less than 12 months (Refer Note 5.1)	20,203.83	32,862.39
Other (Refer Note 5.2)	79,144.77	79,144.77
<b>Total</b>	<b>108,213.62</b>	<b>112,110.26</b>

<sup>^</sup> This amount is lying with State Bank of India ("SBI") towards the share of unsecured lenders of the Religare Finvest Limited, a subsidiary of the Company, which has been kept by it in the form of banker's cheque as on March 31, 2020.

5.1 Details of Fixed Deposits kept as security\*

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Margin money or security against Guarantee		
- Pledged with Banks for Guarantees Taken	10,875.77	10,487.66
- Pledge with Banks for Overdraft and other Facility	1,644.24	8,365.88
(b) Margin money or security against other Commitment		
- Security with Tax Authorities /for License	13.43	10.17
- Pledge with Securities Exchanges as Margin	7,411.80	14,575.66
- Submitted to Stock Exchange for arbitration cases	27.75	32.10
- Others	40.60	40.74
<b>Total</b>	<b>20,013.59</b>	<b>33,512.21</b>

\*Includes Fixed deposit accounts with maturity for more than 12 months - 'Other Bank Balances' (Refer Note 9).



5.2 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 (“FDs”) with it on May 31, 2018 before the Hon’ble Delhi High Court. 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 the RFL’s applications for interim reliefs is disposed of. Strategic Credit Capital Private Limited and Participation Finance have also filed an application to be impleaded in the matter, which are yet to be adjudicated upon by the Hon’ble Court. Earlier, the Hon’ble High Court was pleased to reserve order on the interim application filed by the RFL Order 39 Rule 1 and 2 of CPC seeking status quo order qua the FDs on April 12, 2019.

Thereafter, the RFL has filed application for amendment of pleadings on which notice is issued to LVB and LVB has filed reply to the same. Order on Interim Application under is reserved by the Hon’ble Court. Further, SBI has filed application for Impeachment in the said Suit. RFL thereafter filed application to bring SEBI order dated September 11, 2019 on record. Now the case is kept for arguments for all pending applications on August 06, 2020. RFL has also placed on record, the FIR lodged by it against LVB & ors.

RFL has also filed a criminal complaint on May 15, 2019 before the Economic Offence Wing (“EOW”) which has been marked to the investigation officer (“IO”). The EOW has registered FIR bearing No. 189 of 2019 against the accused persons/entities on September 23, 2019. The IO has also conducted custodial investigation of Mr. Shivinder Mohan Singh & Mr. Malvinder Mohan Singh. The EOW has filed its charge sheet before the Ld. CMM, Saket on March 23, 2020, cognizance on which is yet to be taken by the Court. The matter is now posted on September 18, 2020. Also, the Enforcement Directorate has lodged an ECIR on the basis of the FIR.

(Amount in Rs. lakhs, unless otherwise stated)

## 6. Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	7,432.42	26,017.42
Unsecured, considered good	1,947.65	8,612.71
Which have significant increase in credit risk	2,965.89	2,821.04
Credit impaired	949.95	979.07
	13,295.91	38,430.24
Less: Allowance for lifetime expected credit loss	3,915.85	3,800.11
<b>Total</b>	<b>9,380.06</b>	<b>34,630.13</b>

Includes Rs 0.77 Lakhs (March 31, 2019: Rs 0.57 Lakhs) due from related parties. (For detail refer Note 51).

The movement in the allowance for lifetime expected credit loss is given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	(3,800.11)	(2,702.14)
Additions during the year (net)	(115.74)	(1,097.97)
Purchased or originated credit-impaired	-	-
<b>Balance at the end of the year</b>	<b>(3,915.85)</b>	<b>(3,800.11)</b>



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

### 7. Loans

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Valued at Amortised Cost</b>		
<b>(A) Nature of Loans</b>		
- Term Loans	579,566.03	770,326.69
<b>Total (A) - Gross</b>	579,566.03	770,326.69
Less: Impairment Loss Allowance	269,046.93	264,766.92
<b>Total (A) - Net</b>	310,519.10	505,559.77
<b>(B) Security of Loans</b>		
- Secured by Tangible Assets	353,423.72	531,380.08
- Secured by Intangible Assets	-	314.59
- Covered by Bank / Government Guarantees	-	-
- Unsecured	226,142.31	238,644.02
<b>Total (B) - Gross</b>	579,566.03	770,326.69
Less: Impairment Loss Allowance	269,046.93	264,766.92
<b>Total (B) - Net</b>	310,519.10	505,559.77
<b>(C) (I) Loans in India</b>		
- Public Sector	-	-
- Others	579,566.03	770,338.69
<b>Total (C) (I) - Gross</b>	579,566.03	770,326.69
Less: Impairment Loss Allowance	269,046.93	264,766.92
<b>Total (C) (I) - Net</b>	310,519.10	505,559.77
<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>	310,519.10	505,559.77

- 7.1 Secured Loans given by the Group non-banking finance and housing finance companies 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, 2020 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, 2020 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.

Whereas, the Insolvency Petition titled as "Religare Finvest Limited vs. Bharat Road Network Limited" filed before the Hon'ble NCLT, Kolkata has been settled and RFL has received the claim amount claimed under the petition.

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. The Zonal Office of Enforcement Directorate has lodged an enforcement case under the Prevention of Money Laundering Act bearing ECIR no. 5 of 2019 on the basis of said FIR. The EOW arrested five accused persons. EOW and Enforcement Directorate ("ED") have filed its charge sheet against the accused persons. However, the investigation is still ongoing and the investigation agencies may file supplementary charge sheet at a later stage.

- 7.3** During the year, Religare Housing Development Finance Corporation Limited ("RHDFCL"), a subsidiary of the Company has received Rs 601.59 Lakhs against 303 customers towards Interest Subsidy and Rs 3.90 Lakhs towards processing fee (Rs 3.51 Lakhs credited in RHDFCL's bank account and Rs 0.39 Lakhs credited in 26AS) under Pradhan Mantri Awas Yojana ("PMAY") – Credit Linked Subsidy Scheme ("CLSS") from National Housing Bank ("NHB"). Out of this, Rs 36.05 Lakhs towards Interest Subsidy and Rs 0.22 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 Rs. lakhs, unless otherwise stated)

Internal Rating Grade	As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Standard	218,641.60	41,476.05	250.00	260,367.65
Sub-standard	-	-	23,919.68	23,919.68
Doubtful	-	-	295,038.07	295,038.07
Loss	-	-	240.63	240.63
<b>Total</b>	<b>218,641.60</b>	<b>41,476.05</b>	<b>319,448.38</b>	<b>579,566.03</b>

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	-	-	49,387.15	49,387.15
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>377,339.15</b>	<b>770,326.69</b>



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

7.6 Analysis of changes in the gross carrying amount as follows:

Particulars	Year Ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross Carrying Amount Opening Balance</b>	<b>327,021.12</b>	<b>65,966.41</b>	<b>377,339.16</b>	<b>770,326.69</b>
New Assets Originated or Purchased*	3,891.13	99.20	1,795.06	5,785.39
Assets Derecognised or Repaid (excluding write offs)	(99,008.75)	(16,060.62)	(52,923.31)	(167,992.68)
Change in Fair Value	-	-	-	-
Transfers to / (from) Stage 1	17,407.39	(12,623.46)	(4,783.93)	-
Transfers to / (from) Stage 2	(17,086.24)	18,429.91	(1,343.67)	-
Transfers to / (from) Stage 3	(13,582.40)	(14,294.47)	27,876.87	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	(0.66)	(40.92)	(28,511.79)	(28,553.37)
<b>Gross Carrying Amount Closing Balance</b>	<b>218,641.59</b>	<b>41,476.05</b>	<b>319,448.39</b>	<b>579,566.03</b>

Particulars	Year Ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount Opening Balance	598,045.06	89,755.46	366,390.52	1,054,191.04
New Assets Originated or Purchased*	11,873.46	269.91	4,691.38	16,834.75
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)
Gross Carrying Amount Closing Balance	327,021.12	65,966.41	377,339.16	770,326.69

\* Includes Restructured Cases

7.7 Reconciliation of ECL balance :

Particulars	Year Ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
<b>ECL - Opening Balance</b>	<b>2,270.53</b>	<b>293.70</b>	<b>262,202.69</b>	<b>264,766.92</b>
New Assets Originated or Purchased*	1,966.59	1,946.61	19,898.30	23,811.50
Assets Derecognised or Repaid (excluding write offs)	(1,863.16)	(104.72)	(8,315.01)	(10,282.89)
Transfers to / (from) Stage 1	754.93	(49.94)	(704.99)	-
Transfers to / (from) Stage 2	(68.22)	260.17	(191.95)	-
Transfers to / (from) Stage 3	(65.71)	(102.77)	168.48	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of Discount (Recognised in Interest Income)	-	-	-	-
Amounts Written off	-	-	(9,248.60)	(9,248.60)
Changes to Models and Inputs used for ECL Calculations	-	-	-	-
<b>ECL - Closing Balance</b>	<b>2,994.96</b>	<b>2,243.05</b>	<b>263,808.92</b>	<b>269,046.93</b>



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
ECL - Opening Balance	3,402.07	390.04	137,108.65	140,900.76
New Assets Originated or Purchased*	73.54	36.98	128,747.87	128,858.39
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)	265.92	-
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	-	-	(1,000.81)	(1,000.81)
Changes to Models and Inputs used for ECL Calculations	-	-	-	-
ECL - Closing Balance	2,270.53	293.70	262,202.69	264,766.92

\* Includes Restructured Cases

## 8. Investments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(A) Investments Measured at Amortised Cost</b>		
- Government Securities	<b>60,453.85</b>	43,239.95
- Debt Securities	<b>32,983.89</b>	23,012.81
- Joint Ventures - Using Equity Method		
IBOF Investment Management Private Limited (Refer Note 2.2(B))	<b>22.37</b>	35.52
- Preference Shares (Fully Paid-up) - Others	<b>40.95</b>	40.95
- Others	<b>0.36</b>	0.36
<b>(B) Investments Measured at Fair Value Through Profit or Loss</b>		
- Mutual Funds	<b>10,781.54</b>	4,099.95
- Alternative Investment Funds ("AIF") / Venture Capital Funds	<b>723.00</b>	2,107.55
- Others (RARC 059 (RHDFC HL) Trust) (Refer Note 46(g)(ii))	<b>1,795.15</b>	1,936.81
<b>(C) Investments Measured at Fair Value Through Other Comprehensive Income</b>		
- Equity Instruments (Fully Paid-up)	<b>989.16</b>	887.81
- Other Approved (by IRDA) Securities	<b>112,354.16</b>	81,459.04
<b>Total - Gross (A + B + C)</b>	<b>220,144.43</b>	156,820.75
(i) Investments outside India	-	-
(ii) Investments in India	<b>220,144.43</b>	156,820.75
<b>Total (D)</b>	<b>220,144.43</b>	156,820.75
Less: Allowance for Impairment Loss (E)	<b>17,838.51</b>	13,045.65
<b>Total - Net [ (A + B + C) - (E) ]</b>	<b>202,305.92</b>	143,775.10



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

### 8.1 Breakup of the provision for diminution in value of long term investments is as under:

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Preference Shares - Netambit Infosource and E-Services Private Limited	40.95	40.95
Debt Securities - OSPL Infradeal Private Limited	17,797.56	13,004.70
<b>Total</b>	<b>17,838.51</b>	<b>13,045.65</b>

### 9. Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits		
- With Stock Exchanges	523.25	453.25
- With Others	1,629.00	2,501.74
Less: Loss Allowance Against Security Deposits	(534.67)	(143.34)
Interest Accrued (Note 9.1)	9,371.75	9,365.25
Less: Loss Allowance Against Interest Accrued	(474.87)	(474.87)
Other Bank balances		
- Fixed Deposit Account (Refer Note 5.1)	681.00	1,020.97
Excess Interest Spread	1,086.70	2,281.24
Less: Loss Allowance Against Excess Interest Spread	(106.08)	(224.70)
Recoverable for Support Services (Refer Note 9.2)	390.09	439.14
Less: Loss Allowance Against Recoverable for Support Services	(268.74)	(430.01)
Staff Advances*	1,535.24	1,624.74
Advances to Related Parties	1.39	39.65
Margin with Exchanges	8,641.25	3,440.42
Less: Loss Allowance Against Margin with Exchanges	(30.67)	-
Margin with Custodian	1.00	1.00
Others	839.54	785.08
Less: Loss Allowance Against Others	(684.73)	(711.43)
<b>Total</b>	<b>22,600.45</b>	<b>19,968.13</b>

\* Included Rs 1,499.99 Lakhs (March 31, 2019: Rs 1,499.99 Lakhs) 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, 2019: Rs 2,703.40 Lakhs). Also Refer Note 5.2.

### 9.2 Recoverable for Support Services

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	390.09	439.14
Which have significant increase in credit risk	-	-
Credit impaired	-	-
	390.09	439.14
Less: Allowance for lifetime expected credit loss	(268.74)	(430.01)
<b>Total</b>	<b>121.35</b>	<b>9.13</b>





(Amount in Rs. lakhs, unless otherwise stated)

**10. Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Closing Stock of</b>		
- Digital Signature Certificate ("DSC") and USB Tokens	46.54	9.67
<b>Total</b>	<b>46.54</b>	<b>9.67</b>

(Refer Note 3(i))

**11. Current Tax Assets (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax and Tax Deducted at Source (Net of Provision for Tax of Rs 47,344.77 Lakhs (March 31, 2019: Rs 54,490.04 Lakhs))	28,267.42	32,750.35
<b>Total</b>	<b>28,267.42</b>	<b>32,750.35</b>

**12. Deferred Tax Assets (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>The balance comprises temporary differences attributable to:</b>		
<b>(A) Deferred Tax Assets</b>		
Expected Credit Losses Allowance	50,617.27	50,528.84
Provision for Employee Benefits	117.64	186.16
Carry Forward Losses	1,010.94	836.77
Property, Plant and Equipment	668.18	1,048.79
MAT Credit Entitlement	171.59	278.44
Others	182.06	204.96
<b>Total (A)</b>	<b>52,767.68</b>	<b>53,083.96</b>
<b>(B) Deferred Tax Liabilities</b>		
Deduction Under Section 36(1)(viii) of Income Tax Act, 1961	764.09	687.43
Others	44.40	3.53
<b>Total (B)</b>	<b>808.49</b>	<b>690.96</b>
<b>Total Net (A-B)</b>	<b>51,959.19</b>	<b>52,393.00</b>

(Refer Note 41)



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

The movement on the deferred tax account is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>At the beginning of the year</b>	<b>52,393.00</b>	51,704.86
Credit / (charge) in the Consolidated Statement of Profit and Loss (Net) (For detail refer Note 41(a))	<b>(398.26)</b>	591.87
MAT Credit Entitlement Created / (Reversed) in the Consolidated Statement of Profit and Loss (Net)	<b>(87.82)</b>	96.27
MAT Credit Set-off Against Tax Liability	<b>52.27</b>	-
<b>At the end of the year</b>	<b>51,959.19</b>	52,393.00

- 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, 2020, 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 Rs. lakhs, unless otherwise stated)

**13 Property, Plant and Equipment**  
**Current Year**

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	Balance as at March 31, 2019	Addition on account of Transition to Ind AS 116 - April 1, 2019	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2020	Depreciation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2020	Balance as at March 31, 2019	Balance as at March 31, 2020
<b>(a) Owned Assets</b>										
Land	26.96	-	-	-	26.96	-	-	-	26.96	26.96
Leasehold Improvements	262.89	-	269.80	15.40	517.29	121.14	14.57	222.01	147.45	295.28
Office Equipments	815.10	-	211.76	22.15	1,004.71	230.47	15.59	615.57	414.41	389.14
Data Processing Machines	3,445.63	-	935.33	113.75	4,267.21	830.67	95.48	2,242.73	1,938.09	2,024.48
Furniture and Fixtures	260.56	-	17.07	10.35	267.28	60.05	4.62	217.76	98.23	49.52
Vehicles	390.04	-	165.49	123.24	432.29	59.45	78.97	174.92	195.60	257.37
<b>Sub Total (a)</b>	<b>5,201.18</b>	<b>-</b>	<b>1,599.45</b>	<b>284.89</b>	<b>6,515.74</b>	<b>1,301.78</b>	<b>209.23</b>	<b>3,472.99</b>	<b>2,820.74</b>	<b>3,042.75</b>
<b>(b) Leased Assets</b>										
Right-of-use Assets*: • Buildings / Office Premises	-	8,776.61	2,712.15	23.92	11,464.84	-	-	2,930.85	-	8,533.99
• Data Processing Machines	-	1,362.41	-	-	1,362.41	-	-	438.31	-	924.10
• Vehicles	143.11	-	11.90	61.65	93.36	19.11	54.34	71.45	36.43	21.91
<b>Sub Total (b)</b>	<b>143.11</b>	<b>10,139.02</b>	<b>2,724.05</b>	<b>85.57</b>	<b>12,920.61</b>	<b>3,388.27</b>	<b>54.34</b>	<b>3,440.61</b>	<b>36.43</b>	<b>9,480.00</b>
<b>Total (a+b)</b>	<b>5,344.29</b>	<b>10,139.02</b>	<b>4,323.50</b>	<b>370.46</b>	<b>19,436.35</b>	<b>4,690.05</b>	<b>263.57</b>	<b>6,913.60</b>	<b>2,857.17</b>	<b>12,522.75</b>

\*Refer Note 49

**Previous Year**

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	Balance as at March 31, 2018	Addition on account of Transition to Ind AS 116 - April 1, 2019	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Depreciation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Balance as at March 31, 2018	Balance as at March 31, 2019
<b>(a) Owned Assets</b>										
Land	26.96	-	-	-	26.96	-	-	-	26.96	26.96
Leasehold Improvements	272.11	-	3.91	13.13	262.89	44.20	5.46	115.44	195.41	147.45
Office Equipments	650.90	-	182.82	18.62	815.10	216.92	8.17	400.69	458.96	414.41
Data Processing Machines	2,203.34	-	1,273.93	31.64	3,445.63	695.77	19.80	1,507.54	1,371.77	1,938.09
Furniture and Fixtures	250.53	-	17.36	7.33	260.56	78.72	1.25	162.33	165.67	98.23
Vehicles	436.09	-	6.45	52.50	390.04	89.90	15.27	194.44	316.28	195.60
<b>Sub Total (a)</b>	<b>3,839.93</b>	<b>-</b>	<b>1,484.47</b>	<b>123.22</b>	<b>5,201.18</b>	<b>1,125.51</b>	<b>49.95</b>	<b>2,380.44</b>	<b>2,535.05</b>	<b>2,820.74</b>
<b>(b) Leased Assets</b>										
Vehicles	178.10	-	18.63	53.62	143.11	46.86	13.05	106.68	105.23	36.43
<b>Sub Total (b)</b>	<b>178.10</b>	<b>-</b>	<b>18.63</b>	<b>53.62</b>	<b>143.11</b>	<b>46.86</b>	<b>13.05</b>	<b>106.68</b>	<b>105.23</b>	<b>36.43</b>
<b>Total (a+b)</b>	<b>4,018.03</b>	<b>-</b>	<b>1,503.10</b>	<b>176.84</b>	<b>5,344.29</b>	<b>1,172.37</b>	<b>63.00</b>	<b>2,487.12</b>	<b>2,640.28</b>	<b>2,857.17</b>



(Amount in Rs. 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.  
13.4 The title deeds in respect of land are in the name of the Company / subsidiary company.

#### 14. Goodwill

##### Current Year

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value	
	Balance as at March 31, 2019	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Balance as at March 31, 2020
Goodwill (on Consolidation)	1,899.00	-	-	926.96	-	-	972.04	972.04
Total	1,899.00	-	-	926.96	-	-	972.04	972.04

##### Previous Year

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value	
	Balance as at March 31, 2018	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Balance as at March 31, 2019
Goodwill (on Consolidation)	1,899.00	-	-	926.96	-	-	972.04	972.04
Total	1,899.00	-	-	926.96	-	-	972.04	972.04

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 Company's operating segment. Goodwill is tested for impairment at least annually in accordance with the Company'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, 2020 and 2019, as the recoverable value of the CGUs exceeded the carrying value. Further, none of the CGU's tested for impairment as at March 31, 2020 and 2019 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 Rs. lakhs, unless otherwise stated)

**15. Other Intangible Assets****Current Year**

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value		
	Balance as at March 31, 2019	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2020	Balance as at March 31, 2019	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Balance as at March 31, 2020
Computer Softwares	7,353.95	954.94	11.05	8,297.84	2,905.45	1,394.30	3.99	4,448.50	4,002.08
<b>Total</b>	<b>7,353.95</b>	<b>954.94</b>	<b>11.05</b>	<b>8,297.84</b>	<b>2,905.45</b>	<b>1,394.30</b>	<b>3.99</b>	<b>4,448.50</b>	<b>4,002.08</b>

**Previous Year**

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value		
	Balance as at March 31, 2018	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Balance as at March 31, 2018	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Balance as at March 31, 2019
Computer Softwares	5,860.46	1,493.49	-	7,353.95	1,504.81	1,400.77	0.13	4,355.65	4,448.50
<b>Total</b>	<b>5,860.46</b>	<b>1,493.49</b>	<b>-</b>	<b>7,353.95</b>	<b>1,504.81</b>	<b>1,400.77</b>	<b>0.13</b>	<b>4,355.65</b>	<b>4,448.50</b>

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, 2019	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2020	Balance as at March 31, 2019	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Balance as at March 31, 2020
Leasehold Premises	67.50	139.72	207.22	-	-	-	-	67.50	-
<b>Total</b>	<b>67.50</b>	<b>139.72</b>	<b>207.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67.50</b>	<b>-</b>



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value	
	Balance as at March 31, 2018	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Balance as at March 31, 2019
Leasehold Premises	-	67.50	-	-	-	-	-	67.50
<b>Total</b>	-	67.50	-	-	-	-	-	67.50

**17 Intangible Assets Under Developments**

**Current Year**

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value	
	Balance as at March 31, 2019	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2019	Balance as at March 31, 2020
Computer Softwares	1,316.65	475.87	470.80	-	-	-	1,316.65	1,321.72
Website Design and Development	2.10	-	-	-	-	-	2.10	2.10
<b>Total</b>	<b>1,318.75</b>	<b>475.87</b>	<b>470.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,318.75</b>	<b>1,323.82</b>

**Previous Year**

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value	
	Balance as at March 31, 2018	Additions during the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Amortisation for the year	Deletions / Adjustments for the year	Balance as at March 31, 2018	Balance as at March 31, 2019
Computer Softwares	1,115.98	588.29	387.62	-	-	-	1,115.98	1,316.65
Website Design and Development	2.61	2.10	2.61	-	-	-	2.61	2.10
<b>Total</b>	<b>1,118.59</b>	<b>590.39</b>	<b>390.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,118.59</b>	<b>1,318.75</b>



(Amount in Rs. lakhs, unless otherwise stated)

**18. Other Non Financial Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance With Tax Authorities	4,352.64	5,849.18
Balance With Provident Fund Authority	21.46	21.46
Prepaid Expenses	1,573.86	2,162.87
Deposits Paid Under Protest	129.67	119.67
Advances to Related Parties (for services)	1,326.50	1,326.50
Less: Loss Allowance Against Advances to Related Parties	(1,326.50)	(1,326.50)
Art Works	1.78	1.78
Capital Advances	-	52.49
Reposessed Assets Held For Sale	20,171.21	21,483.96
Less: Loss Allowance Against Assets Held For Sale	(3,189.39)	(1,270.19)
Others	741.18	835.52
Less: Loss Allowance Against Others	(137.73)	(47.67)
<b>Total</b>	<b>23,664.68</b>	<b>29,209.07</b>

**19. Trade Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Total outstanding dues of micro enterprises and small enterprises	2.07	47.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	29,219.85	28,437.16
<b>Total</b>	<b>29,221.92</b>	<b>28,484.19</b>

**20. Other Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16,638.93	14,053.94
<b>Total</b>	<b>16,638.93</b>	<b>14,053.94</b>



Notes Forming Part of the Consolidated Financial Statements  
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(Amount in Rs. lakhs, unless otherwise stated)

21. Borrowings (Other than Debt Securities)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
<b>Borrowings Measured at Amortised Cost</b>		
<b>(a) Secured</b>		
- Term Loans		
(i) From Banks (Refer Note 21.1)	387,305.37	490,202.18
(ii) From Other Parties (Refer Note 21.2)	28,002.41	34,861.84
- Loans Repayable on Demand		
(i) From Banks (Refer Note 21.3)	55,252.49	79,386.61
(ii) From Other Parties	-	-
<b>Sub-Total (a)</b>	<b>470,560.27</b>	<b>604,450.63</b>
<b>(b) Unsecured</b>		
- Term Loans		
(i) From Banks (Refer Note 21.4)	750.00	750.00
(ii) From Other Parties	-	-
- Liability Component of Compound Financial Instruments (Refer Note 21.5)	7,820.95	7,461.14
- Loans Repayable on Demand		
(i) From Banks	-	-
(ii) From Other Parties (Refer Note 21.6)	25.33	2,550.67
<b>Sub-Total (b)</b>	<b>8,596.28</b>	<b>10,761.81</b>
<b>Total (a+b)</b>	<b>479,156.55</b>	<b>615,212.44</b>
Borrowings in India	479,156.55	615,212.44
Borrowings outside India	-	-
<b>Total</b>	<b>479,156.55</b>	<b>615,212.44</b>

21.1 Secured Term Loans From Banks

Repayment Term	Sanctioned Tenure	As at March 31, 2020	As at March 31, 2019
Annually	Over 60 Months	285,490.37	327,668.83
	37 to 60 Months	12,506.70	19,353.61
	13 to 36 Months	-	-
	0 to 12 Months	-	-
Semi Annually	Over 60 Months	5,347.35	7,047.59
	37 to 60 Months	1,158.00	2,500.00
	13 to 36 Months	484.00	1,250.00
	0 to 12 Months	-	-





Repayment Term	Sanctioned Tenure	As at March 31, 2020	As at March 31, 2019
Quarterly	Over 60 Months	49,351.72	72,222.69
	37 to 60 Months	32,183.85	59,328.64
	13 to 36 Months	-	-
	0 to 12 Months	-	-
Monthly	Over 60 Months	24.74	63.11
	37 to 60 Months	8.64	17.71
	13 to 36 Months	-	-
	0 to 12 Months	750.00	750.00
Bullet	Over 60 Months	-	-
	37 to 60 Months	-	-
	13 to 36 Months	-	-
	0 to 12 Months	-	-
<b>Total</b>		<b>387,305.37</b>	490,202.18

All Secured Term loans from Banks as on March 31, 2020 and 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.

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 3.35% (March 31, 2019: up to 3.55%).

(Amount in Rs. lakhs, unless otherwise stated)

## 21.2 Secured Term Loans From Others Parties

Repayment Term	Sanctioned Tenure	As at March 31, 2020	As at March 31, 2019
Quarterly	Over 60 Months	20,459.41	32,361.84
	37 to 60 Months	7,543.00	2,500.00
	13 to 36 Months	-	-
	0 to 12 Months	-	-
Monthly	Over 60 Months	-	-
	37 to 60 Months	-	-
	13 to 36 Months	-	-
	0 to 12 Months	-	-
Bullet	Over 60 Months	-	-
	37 to 60 Months	-	-
	13 to 36 Months	-	-
	0 to 12 Months	-	-
<b>Total</b>		<b>28,002.41</b>	34,861.84

All the above Secured Term loans from Others as on March 31, 2020 and 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 Company".

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, 2019: up to 1.70%).



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

### 21.3 Secured Loans Repayable on Demand From Banks

Nature of Security	Interest Rate	As at March 31, 2020	As at March 31, 2019
(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, 2019: up to 2.00%).	55,252.49	62,073.63
(b) Book Debts	10.50% to 10.75%	-	6,985.51
(c) Fixed Deposits with Banks	Respective fixed deposit interest rate plus a margin 0.60% to 1%.	-	5,327.47
(d) Shares / stocks lying in pool accounts of a subsidiary	9.10% to 10.40%	-	5,000.00
<b>Total</b>		<b>55,252.49</b>	<b>79,386.61</b>

21.4 Pricing for short term loan from banks is at Marginal Cost of Funds based Lending Rate i.e. MCLR.

### 21.5 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 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 shareholders, preference dividend on cumulative basis at the rate not exceeding 13.66% per financial year. These shares were issued in 2008. The aggregate shares outstanding as at the year end are 1,500,000 ( Previous year 1,500,000) at Rs 100 (including premium of Rs 90 per share). The above shares were redeemable at an amount of Rs 4,190.28 Lakhs (including premium not exceeding Rs 269.36 per share) on October 31, 2018. (Also refer Note 45(a)(II))

#### 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. The carrying value of preference share as on March 31, 2020 is Rs 3,630.67 Lakhs (Previous year Rs 3,270.86 Lakhs) (Also refer Note 45(a)(II))

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. 8.33% on the total voting capital of the Company. The Company has also not paid dividend on 2008 Preference Shares but the Company has a letter dated August 20, 2012 from then holder of these shares irrevocably and unconditionally waiving off the voting rights on 2008 Preference Shares.

### 21.6 Pricing for Unsecured Loans Repayable on Demand From Other Parties

S. No.	Pricing of Loans	As at March 31, 2020	As at March 31, 2019
1	9% to 18%	25.33	2,550.67
	<b>Total</b>	<b>25.33</b>	<b>2,550.67</b>



(Amount in Rs. lakhs, unless otherwise stated)

21.7 There is no default as on the balance sheet date in repayment of above loans and interest thereon, except in Religare Finvest Limited ("RFL"), a subsidiary of the Company. In RFL there are default as on the balance sheet date (i.e. March 31, 2020) in repayment of loans and interest.

Nature of Borrowings	Name of Lender	Period of delay (as at 31 March 2020)						Total Overdue as at 31 st March 2020
		Principal Overdue	1-183 days	Above 183 days	Interest Overdue (Interest / Additional / Penal)	1-183 days	Above 183 days	
Term Loan	Andhra Bank	6,783.53	4,687.50	2,096.03	-	-	-	6,783.53
Term Loan & Cash Credit	Bank of Baroda	19,054.88	10,840.47	8,214.41	1,343.57	1,343.57	-	20,398.45
Term Loan, WCDL & Cash Credit	Bank of India	21,707.31	-	21,707.31	3,149.25	3,120.39	28.86	24,856.56
Term Loan	Bank Of Maharashtra	1,683.18	384.97	1,298.21	2,517.55	1,919.61	597.94	4,200.73
Term Loan	Central Bank of India	5,730.66	5,730.66	-	2,302.43	1,856.76	445.67	8,033.09
Term Loan	Corporation Bank	4,333.87	4,333.87	-	368.97	368.97	-	4,702.84
Term Loan	Federal Bank Limited	483.87	-	483.87	135.60	109.33	26.27	619.47
Term Loan	ICICI Bank	-	-	-	2,592.83	1,924.88	667.95	2,592.83
Term Loan & Cash Credit	IDBI Bank Limited	11,134.03	2,500.00	8,634.03	1,937.06	1,561.52	375.54	13,071.09
Term Loan	Karnataka Bank	1,062.04	441.59	620.45	388.10	367.86	20.24	1,450.14
Term Loan	Karur Vysya Bank	998.25	842.00	156.25	218.48	171.07	47.41	1,216.73
Term Loan	Oriental Bank of Commerce	3,232.36	-	3,232.36	1,590.67	1,264.86	325.81	4,823.03
Term Loan	Punjab & Sind Bank	1,959.35	1,959.35	-	1,262.26	1,072.06	190.20	3,221.61
Term Loan & Cash Credit	Punjab National Bank	24,677.00	-	24,677.00	2,788.45	2,246.90	541.55	27,465.45
Term Loan	SIDBI	5,248.54	4,700.29	548.25	2,130.30	2,130.30	-	7,378.84
Term Loan	South Indian Bank	982.26	982.26	-	155.95	155.95	-	1,138.21
Term Loan	State Bank of India	17,652.99	7,324.59	10,328.40	1,760.60	1,760.60	-	19,413.59
Term Loan	Syndicate Bank	8,090.04	6,533.04	1,557.00	4,702.28	3,686.60	1,015.68	12,792.32
Term Loan	UCO Bank	4,000.00	4,000.00	-	651.46	651.46	-	4,651.46
Term Loan	Union Bank of india	2,973.98	-	2,973.98	2,296.52	1,758.82	537.70	5,270.50
Term Loan	United Bank of India	2,821.60	1,884.10	937.50	219.41	176.42	42.99	3,041.01
<b>Total</b>		<b>144,609.74</b>	<b>57,144.69</b>	<b>87,465.05</b>	<b>32,511.74</b>	<b>27,647.93</b>	<b>4,863.81</b>	<b>177,121.48</b>

21.8 None of the above term loans have been guaranteed by the any director of the Group Companies.



Notes Forming Part of the Consolidated Financial Statements  
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(Amount in Rs. lakhs, unless otherwise stated)

22. Subordinated Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Subordinated Liabilities Measured at Amortised Cost</b>		
<b>Unsecured</b>		
- Term Loan From Bank (Refer Note 22.1)	<b>34,719.83</b>	34,794.41
- Debentures (Refer Note 22.2)	<b>21,754.87</b>	21,648.16
<b>Total</b>	<b>56,474.70</b>	56,442.57
Subordinated Liabilities in India	<b>56,474.70</b>	56,442.57
Subordinated Liabilities outside India	-	-
<b>Total</b>	<b>56,474.70</b>	56,442.57

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.

22.1 Subordinated Liabilities - Unsecured Term Loans From Banks

Repayment Term	Sanctioned Tenure	As at March 31, 2020	As at March 31, 2019
Bullet	Over 60 Months	-	-
	37 to 60 Months	-	9,994.52
	13 to 36 Months	<b>34,719.83</b>	24,799.89
	0 to 12 Months	-	-
<b>Total</b>		<b>34,719.83</b>	34,794.41

The pricing of the above loans availed are at the rate of respective Bank's Base Rate plus a margin up to 1.65% to 2.75% (March 31, 2019: up to 2.75%).

22.2 Subordinated Liabilities - Privately Placed Unsecured Redeemable Non-Convertible Debentures

S. No.	Coupon Rate	As at March 31, 2020	As at March 31, 2019	Date of Allotment	Redemption Due On
1	10.68%	<b>9,970.46</b>	9,943.18	30-Sep-15	30-Apr-21
2	12.20%	<b>4,901.30</b>	5,000.00	12-Oct-12	12-Oct-22
3	12.20%	<b>4,111.67</b>	4,080.04	21-Jan-13	21-Jan-23
4	12.00%	<b>786.93</b>	782.42	25-Feb-13	25-Feb-23
5	12.05%	<b>1,984.51</b>	1,842.52	28-Mar-13	28-Mar-23
<b>Total</b>		<b>21,754.87</b>	21,648.16		

22.3 None of the above term loans have been guaranteed by Directors of the any Group company.

22.4 (a) There is no default as on the balance sheet date in repayment of above term loans and interest thereon except in Religare Finvest Limited, a subsidiary of the Company. In RFL there are default as on the Balance Sheet date (i.e. March 31, 2020) in repayment of loans and interest under Term Loan from Banks.

(b) There are no default as on the Balance Sheet date (i.e. March 31, 2020) in repayment of Debentures.



(Amount in Rs. lakhs, unless otherwise stated)

**23. Other Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued and Due*	17.39	107.15
Interest Accrued but not Due	33,472.75	1,389.12
Unclaimed Debenture Refund and Interest Thereon	112.63	124.97
Unclaimed Amount of Policy Holders	229.39	194.85
Book Overdraft	15.78	323.51
Security Deposits (Including Margin for Vehicles)	2,795.00	2,970.37
Debt Service Reserve ("DSR") and Other Accounts	613.14	1,020.27
Margin Deposits From Clients	10,907.82	18,623.51
Creditors for Expenses / Expenses Payable	5,079.75	6,625.55
Payable For Assignment and Securitisation Transactions	1,613.70	2,863.10
Claims Outstanding	26,255.21	16,475.87
Margin for Vehicle	16.98	12.64
Lease Liability	9,557.04	50.94
Liability towards Capital Commitment / Settlement**	15,300.00	-
Financial Liability Towards Contingency***	673.99	-
Other Liabilities	5,897.31	5,760.85
<b>Total</b>	<b>112,557.88</b>	<b>56,542.70</b>

\* It includes 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.

\*\* Refer Note 54(o)

\*\*\* Refer Note 45(a)(II)

**24. Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits</b>		
- Gratuity	1,284.49	374.38
- Leave Encashment	1,014.82	1,140.52
<b>Total</b>	<b>2,299.31</b>	<b>1,514.90</b>

**25. Other Non Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Due Payable	8,175.36	7,913.98
Advances From Customers / Clients	3,184.01	2,461.97
Revenue Received in Advance	-	1.22
Lease Equalisation Reserve	-	12.94
Unexpired Risk Reserve ("URR")*	71,237.44	57,034.87
Other Liabilities	1,408.20	1,408.45
Unallocated Premium	7,102.66	3,189.43
Premiums Received in Advance	6,111.77	7,752.09
Others	19.51	20.21
<b>Total</b>	<b>97,238.95</b>	<b>79,795.16</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 health insurance company (named Religare Health Insurance Company Limited) under contractual obligations on contract period basis.



Notes Forming Part of the Consolidated Financial Statements  
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(Amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	57,034.87	39,579.75
Less:-Amount utilized during the year	57,034.87	39,579.75
Add:-Provision made during the year	71,237.44	57,034.87
<b>Closing Balance</b>	<b>71,237.44</b>	<b>57,034.87</b>

26. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorized Capital</b>		
654,450,000 (March 31, 2019: 654,450,000) Equity Shares of Rs 10 each	65,445.00	65,445.00
<b>Total</b>	<b>65,445.00</b>	<b>65,445.00</b>
<b>Issued, subscribed and paid up</b>		
258,128,152 (March 31, 2019: 216,942,733) Equity Shares of Rs 10 each fully paid up	25,812.82	21,694.27
<b>Total</b>	<b>25,812.82</b>	<b>21,694.27</b>

26.1 Reconciliation of the shares outstanding at the beginning and at the end of reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>Equity Shares of 10 each Fully Paid Up</b>				
Balance as at the beginning of the year	216,942,733	21,694.27	178,455,248	17,845.52
Add: Shares issued during the year	41,185,419	4,118.55	38,487,485	3,848.75
<b>Balance as at the end of the year</b>	<b>258,128,152</b>	<b>25,812.82</b>	<b>216,942,733</b>	<b>21,694.27</b>

26.2 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.

Reserve Bank of India ("RBI"), vide letter dated April 05, 2019, has advised the Company to stop paying dividends till further order.

In relation to the Supervisory Concerns issued by the RBI to the Company in December, 2019 w.r.t the Inspection as at March 31, 2019 carried under Section 45N of the Reserve Bank of India Act, the Company has suitably submitted the compliance. The Company continues to be barred from declaring dividends as per said RBI letter issued in December, 2019.



(Amount in Rs. lakhs, unless otherwise stated)

**26.3 Details of the shareholders holding more than 5% of the aggregate shares in the Company:**

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Puran Associates Private Limited	18,164,432	7.04	-	-
India Horizon Fund Limited	-	-	17,838,467	8.22
International Finance Corporation	-	-	12,818,331	5.91
Axis Bank Limited	-	-	16,108,794	7.42
Resilient India Growth Fund	17,638,579	6.83	17,638,579	8.13
Win Sure Trade Invest Private Limited, Rock Builders And Developers Private Limited (on behalf of Chandrakanta Enterprise)	14,659,304	5.68	12,882,106	5.94

**26.4** There are no securities that are convertible into equity/ preference shares other than employee stock options issued and share warrants by the Company.

**26.5** During the period of five years immediately preceding the Balance Sheet Date, the Company has not:

- allotted any share as fully paid up pursuant to contract without payment being received in cash;
- allotted any share as fully paid up by way of bonus shares; and
- bought back any share.

**26.6** No share was forfeited by the Company during the year.

**26.7 Preference Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorized Capital</b>		
162,000,000 (March 31, 2019: 162,000,000) Redeemable Preference Shares of Rs 10 each	16,200.00	16,200.00
<b>Total</b>	<b>16,200.00</b>	16,200.00

(Also refer Note 21.5)

**26.8 Share Warrants**

During the year ended March 31, 2019, the Company had 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. The warrants were exercisable into equal number of Equity Shares of Rs 10 each of the Company on preferential basis. Out of same 38,487,485 warrants were converted into equity shares during the FY 2018-19 and 41,185,419 warrants were converted into shares during FY 2019-20. The last date of conversion of warrants was October 18, 2019. Certain warrant holders holding 31,825,010 warrants have not exercised their options to convert these warrants and the Company has not received the balance 75% amount for these 31,825,010 warrants. Accordingly, in terms of Regulation 169(3) of SEBI ICDR Regulations, 2018, 25% consideration (amounting to Rs 4,161.12 Lakhs) paid against these 31,825,010 warrants stood forfeited and transferred to a Capital Reserve viz. 'Reserve on Forfeiture of Share Warrant'.

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, 2020.

Utilisation of warrant money received during the current financial year and in corresponding previous year is as follows:



Notes Forming Part of the Consolidated Financial Statements  
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(Amount in Rs. lakhs, unless otherwise stated)

Particulars	FY 2019-20	FY 2018-19*
1. Repayment of Loans	5,000.00	18,188.26
2. Investments in Subsidiary	7,717.54	6,690.68
3. Settlement for Non Disposable Undertaking ("NDU") given	1,700.00	-
4. Payment of liability on account of Merger	-	4,000.00
5. Payment made against Capital Commitment	894.85	-
6. General Corporate Purpose	842.59	796.14
<b>Total</b>	<b>16,154.98</b>	<b>29,675.07</b>

\* Rs 29,675.07 Lakhs comprises of 25% advance Rs 14,578.35 Lakhs against share warrants and Rs 15,096.72 Lakhs on allotment of shares.

27. Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(A) Securities Premium Reserve</b>		
Opening Balance	368,158.87	351,878.66
Add : Securities premium credited on share issue	19,123.11	16,280.21
<b>Closing Balance</b>	<b>387,281.98</b>	<b>368,158.87</b>
<b>(B) Capital Redemption Reserve</b>		
Opening Balance	1,123.14	1,123.14
<b>Closing Balance</b>	<b>1,123.14</b>	<b>1,123.14</b>
<b>(C) Capital Reserve arising out of Composite Scheme of Arrangement</b>		
Opening Balance	6,525.65	6,525.65
<b>Closing Balance</b>	<b>6,525.65</b>	<b>6,525.65</b>
<b>(D) Capital Reserve on Consolidation</b>		
Opening Balance	8,882.34	8,882.34
<b>Closing Balance</b>	<b>8,882.34</b>	<b>8,882.34</b>
<b>(E) General Reserve</b>		
Opening Balance	24,988.95	24,198.20
Add: Transfer from Debenture Redemption Reserve (Net of NCI)	-	790.75
<b>Closing Balance</b>	<b>24,988.95</b>	<b>24,988.95</b>
<b>(F) Statutory Reserve</b>		
Opening Balance	35,575.61	35,430.63
Add: Transfer from retained earnings (Net of NCI)	84.77	144.98
<b>Closing Balance</b>	<b>35,660.38</b>	<b>35,575.61</b>
<b>(G) Short / (Excess) Payment for Shares in Subsidiaries Post Getting Control</b>		
Opening Balance	(3,261.56)	-
Add: Changes during the year	(1,231.58)	(3,261.56)
<b>Closing Balance</b>	<b>(4,493.14)</b>	<b>(3,261.56)</b>
<b>(H) Debenture Redemption Reserve</b>		
Opening Balance	-	790.75
Less: Transfer to General Reserve (Net of NCI)	-	(790.75)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>(I) Employee Stock Option Reserve</b>		
Opening Balance	1,254.31	-
Add: Changes during the year	2,049.13	1,254.31
<b>Closing Balance</b>	<b>3,303.44</b>	<b>1,254.31</b>





Particulars		As at March 31, 2020	As at March 31, 2019
<b>(J) Foreign Currency Translation Reserve</b>	Opening Balance	2,638.29	2,657.09
	Add: Changes during the year	(8.23)	(18.80)
	<b>Closing Balance</b>	<b>2,630.06</b>	2,638.29
<b>(K) Money Received Against Share Warrants (Refer Note 26.8)</b>	Opening Balance	9,546.11	-
	Amount Received During the year	16,154.98	14,578.35
	Less: Transfer to Reserve on Forfeiture of Share Warrant	(4,161.12)	-
	Less: Utilised toward Equity Shares Allotments	(21,539.97)	(5,032.24)
	<b>Closing Balance</b>	<b>-</b>	9,546.11
<b>(L) Reserve on Forfeiture of Share Warrant (Refer Note 26.8)</b>	Opening Balance	-	-
	Add: Changes during the year	4,161.12	-
	<b>Closing Balance</b>	<b>4,161.12</b>	-
<b>(M) Impairment Reserve</b>	Opening Balance	-	-
	Add: Changes during the year	9,985.77	-
	<b>Closing Balance</b>	<b>9,985.77</b>	-
<b>(N) Surplus / (Deficit) in the Statement of Profit and Loss</b>	Opening Balance	(393,805.77)	(265,292.48)
	Add: Net Profit / (Loss) For The Year	(93,246.95)	(128,716.65)
	Add / (Less): Adjustment due to change in NCI	164.70	348.34
	Less: Transfer to Impairment Reserve	(9,985.77)	-
		<b>(496,873.79)</b>	(393,660.79)
	Less: Appropriations		
	Transfer to Statutory Reserve (Net of NCI)	(84.77)	(144.98)
<b>(I) Total Profit / (Loss)</b>	<b>(496,958.56)</b>	(393,805.77)	
<b>Other Comprehensive Income ("OCI")</b>	Opening Balance	(15.26)	(386.31)
	Add / (Less): Movement in OCI during the year		
	• Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	(861.94)	(41.05)
	• Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI	101.35	104.06
	• Net Gain / (Loss) on Debt Securities FVTOCI	2,152.57	332.33
	Add / (Less): Adjustment due to change in NCI and Share of NCI	(179.08)	(24.29)
	<b>(II) Total OCI</b>	<b>1,197.64</b>	(15.26)
	<b>Total Comprehensive Income (I + II)</b>	<b>(495,760.92)</b>	(393,821.03)
<b>Total Other Equity</b>	<b>(15,711.23)</b>	61,610.68	



**27.1 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 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.

**(xi) Impairment Reserve**

In NBFCs / ARCs, if impairment allowance (i.e. expected credit loss), on the loan books, under Ind AS 109 is lower than the provisioning required under prudential norms on Income Recognition, Asset Classification and Provisioning (“IRACP”), an amount equal to that difference is appropriated from their net profit or loss after tax to this reserve. It is mandated by the Reserve Bank of India (“RBI”), vide its Circular No. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020.

The balance in the ‘Impairment Reserve’ shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI. (Refer Note 2.1 (vi))



(Amount in Rs. lakhs, unless otherwise stated)

**28 Non Controlling Interest**

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
			India		India		India	
Country of Incorporation / Place of Business			11.05%		10.33%		12.50%	
Proportion of Non Controlling Interest (%)			193,691.54		147,816.21		61,527.59	
<b>(A) Balance Sheet</b>			12,779.65		108,659.73		1,140.57	
Financial Assets	824,038.82		11,639.08		9,094.00		1,103.21	
Non-financial Assets	12,779.65		(51,644.68)		(36,943.55)		(60,180.34)	
Financial Liabilities	(93,934.89)		(92,297.76)		(75,287.70)		(163.11)	
Non-Financial Liabilities	(92,494.87)		-		-		-	
<b>Net Assets</b>	<b>81,569.02</b>		<b>61,388.18</b>		<b>44,678.96</b>		<b>20,180.84</b>	
Share Application Money from NCI	22.53		22.53		-		-	
Carrying Amount of Non Controlling Interest	9,328.03		6,805.42		4,617.28		2,522.60	

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019		
			India		India			
			11.05% <th colspan="2">10.33% <th colspan="2">12.50% </th></th>		10.33% <th colspan="2">12.50% </th>		12.50%	
Country of Incorporation / Place of Business			193,691.54		147,816.21		61,527.59	
Proportion of Non Controlling Interest (%)			12,779.65		108,659.73		1,140.57	
<b>(A) Balance Sheet</b>			11,639.08		9,094.00		1,103.21	
Financial Assets	824,038.82		11,639.08		9,094.00		1,103.21	
Non-financial Assets	12,779.65		(51,644.68)		(36,943.55)		(60,180.34)	
Financial Liabilities	(93,934.89)		(92,297.76)		(75,287.70)		(163.11)	
Non-Financial Liabilities	(92,494.87)		-		-		-	
<b>Net Assets</b>	<b>81,569.02</b>		<b>61,388.18</b>		<b>44,678.96</b>		<b>20,180.84</b>	
Share Application Money from NCI	22.53		22.53		-		-	
Carrying Amount of Non Controlling Interest	9,328.03		6,805.42		4,617.28		2,522.60	

\*Religare Finvest Limited has 87.50% stake in Religare Housing Development Finance Corporation Limited and the Company had 85.64% stake in Religare Finvest Limited so effective holding of the Non Controlling Interest ("NCI") in Religare Housing Development Finance Corporation Limited was 25.07%. The Company has acquired NCI 14.36% stake in RFL and RFL became a wholly owned subsidiary of the Company w.e.f. February 28, 2020 and thus effective holding of the Non Controlling Interest ("NCI") in Religare Housing Development Finance Corporation Limited comes to 12.50%.



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(Amount in Rs. lakhs, unless otherwise stated)

29. Interest Income (Revenue From Operations)\*

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income From Lending Activities	47,955.24	78,834.56
Interest Income on Fixed Deposits with Banks	1,691.35	2,417.27
Interest Income on Delayed Payments / Charges for Delayed Payments	2,381.76	3,088.39
Interest Income on Investments	11,403.94	8,822.10
<b>Total</b>	<b>63,432.29</b>	<b>93,162.32</b>

\*Breakup of Interest Income:

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>(A) On Financial Assets Measured at Amortised Cost</b>		
Income From Lending Activities	47,955.24	78,834.56
Interest Income on Fixed Deposits with Banks	1,691.35	2,417.27
Interest Income on Delayed Payments / Charges for Delayed Payments	2,381.76	3,088.39
Interest Income on Investments	144.57	2,941.93
<b>Subtotal (A)</b>	<b>52,172.92</b>	<b>87,282.15</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	55.92	-
<b>Subtotal (B)</b>	<b>55.92</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	11,203.45	5,880.17
<b>Subtotal (C)</b>	<b>11,203.45</b>	<b>5,880.17</b>
<b>Total (A+B+C)</b>	<b>63,432.29</b>	<b>93,162.32</b>



(Amount in Rs. lakhs, unless otherwise stated)

**30. Fee and Commission Income**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Commission Income From Reinsurance (Net)	2,217.01	3,141.93
Other Commission Income	1,187.81	2,801.20
<b>Total</b>	<b>3,404.82</b>	<b>5,943.13</b>

**31. Revenue From Sale of Services**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income From Broking Operations <sup>^</sup>	16,795.63	19,518.40
Income From Services	11.40	105.37
<b>Total</b>	<b>16,807.03</b>	<b>19,623.77</b>

<sup>^</sup> Net of stamp duty expense Rs 728.50 Lakhs (March 31, 2019: Rs 797.29 Lakhs), Exchange Transaction Fees Rs 1059.07 Lakhs (March 31, 2019: Rs 1,242.85 Lakhs)

**32. Other Revenue From Operations**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income From Insurance Premium (Net of Premium on Re-insurance ceded)	150,779.11	109,009.54
Other Income	597.63	539.84
Profit on Sale/Redemption of Investments (Net)	509.88	421.85
<b>Total</b>	<b>151,886.62</b>	<b>109,971.23</b>

**33. Other Income**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Balances Written Back (Net)	185.30	356.01
Income From Support Services	67.20	513.68
Interest Income From Fixed Deposits With Banks*	21.93	1,986.71
Profit on Derecognition of Property, Plant and Equipment (Net)	84.13	49.55
Profit On Sale Of Flats Under Construction Held For Sale (Net)	-	1.35
Profit on Sale/Redemption of Investments (Net)	526.04	3,978.33
Interest Income From Investments (Refer Note 33.1)	582.86	211.45
Interest Income on Others	1,662.67	1,695.37
Income towards ARC transaction (Net)	549.73	-
Miscellaneous Income	532.01	602.98
<b>Total</b>	<b>4,211.87</b>	<b>9,395.43</b>

\* On Financial Assets measured at Amortised Cost.



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

### 33.1 Interest Income From Investments (Other Income)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(A) On Financial Assets Measured at Amortised Cost	503.38	26.06
(B) On Financial Assets Measured at Fair Value Through Profit and Loss ("FVTPL")	79.48	185.39
(C) On Financial Assets Measured at Fair Value Through OCI ("FVTOCI")	-	-
<b>Total</b>	<b>582.86</b>	<b>211.45</b>

### 34. Finance Costs

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest on:		
Borrowings	76,172.68	75,813.09
Debt Securities		
Debentures	-	1,227.73
Commercial Papers	-	351.01
Subordinated Liabilities	6,679.21	6,290.89
Liability Portion of Preference Shares	359.82	577.55
Client Margins	190.43	243.95
Lease Liabilities	1,054.82	-
Others	22.39	37.57
Loan Review Charges	33.60	-
Bank Guarantee Commission and Other Charges	413.16	456.37
<b>Total</b>	<b>84,926.11</b>	<b>84,998.16</b>

Note: The entire finance costs are on the financial liabilities measured at Amortised Cost.

### 35. Fee and Commission Expenses

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Commission and Brokerage Expenses	4,598.73	5,243.51
<b>Total</b>	<b>4,598.73</b>	<b>5,243.51</b>

### 36. Net Loss on Fair Value Changes

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Net Loss on Fair Value Changes (Refer Note 36.1)	137.50	248.40
<b>Total</b>	<b>137.50</b>	<b>248.40</b>



(Amount in Rs. lakhs, unless otherwise stated)

**36.1 Gain / (Loss) on Fair Value Changes<sup>#</sup>**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>(A) Net Gain / (Loss) on Financial Instruments at Fair Value Through Profit or Loss</b>		
(i) On Trading Portfolio		
- Investments	(137.50)	(248.40)
(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>(137.50)</b>	<b>(248.40)</b>
<b>(D) Fair Value Changes</b>		
- Realised	-	-
- Unrealised	(137.50)	(248.40)
<b>Total (D)</b>	<b>(137.50)</b>	<b>(248.40)</b>

<sup>#</sup> Fair value changes in this schedule are other than those arising on account of accrued interest income / expense.**37. Impairment and Loss Allowances on Financial Instruments (Net)**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Impairment and Loss Allowances on Financial Instruments Measured at Amortised Cost (Net)</b>		
- Loans	4,280.00	123,878.15
- Investments	4,792.85	7,004.70
- Trade Receivables	115.74	1,097.96
- Others Financial Assets	115.40	492.28
Loss on sale of NPA sale to ARC	26,274.93	-
Bad Debts and Loans and Balances Written Off	2,525.06	8,652.91
Investment Written Off	467.62	-
Recovery of Financial Assets Written Off	(1,147.91)	(2,070.71)
<b>Total</b>	<b>37,423.69</b>	<b>139,055.29</b>

**37A Expense Toward Capital Commitment / Settlement**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Expense Toward Capital Commitment / Settlement*	894.85	-
<b>Total</b>	<b>894.85</b>	<b>-</b>

\* Refer foot note G(iii) of Note 45(a) Foot Note G(iii)



(Amount in Rs. lakhs, unless otherwise stated)

**38. Employee Benefit Expenses**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Salaries, Allowances and Bonus	45,999.18	45,018.86
Contribution to Provident and Other Funds	2,930.37	2,552.14
Share Based Payments to Employees	2,303.42	1,398.87
Gratuity and Compensated Absences Expenses	780.89	842.15
Staff Welfare Expenses	1,143.80	1,475.45
Training and Recruitment Expenses	1,397.28	475.39
<b>Total</b>	<b>54,554.94</b>	<b>51,762.86</b>

**39. Depreciation, Amortization and Impairment**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Depreciation (Refer Note 13)	4,690.05	1,172.37
Amortization (Refer Note 15)	1,394.30	1,400.77
<b>Total</b>	<b>6,084.35</b>	<b>2,573.14</b>

**40. Other Expenses**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Rent, Rates and Taxes	993.42	4,472.64
Repairs and Maintenance	1,204.95	1,522.24
Communication Expenses	1,094.64	1,451.28
Printing and Stationery	724.66	618.24
Advertisement and Business Promotion	12,452.10	8,852.69
Directors' Fees, Allowances and Other Expenses	160.70	132.60
Payment to Auditors (Refer Note 40.1)	177.38	129.75
Legal and Professional Expenses	14,386.02	15,367.79
Insurance	64.38	172.63
Support Services Fees	15.55	35.04
Loss on Account of Error Trades (Net)	3.97	8.07
Database Expenses	169.83	290.86
Postage and Courier	816.22	780.67
Office Expenses	1,444.15	1,412.88
Membership and Subscription Expenses	345.81	388.00
Custodial and Stamp Charges	702.89	615.86
Transaction Charges	270.38	290.66
Travel and Conveyance	3,255.48	3,243.63





(Amount in Rs. lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Electricity and Water Expenses	634.15	1,199.48
Filing and Registration Fees	19.68	53.55
Bank Charges	604.96	409.52
Fines and Penalties	7.73	4.99
Storage and Warehouse Charges	117.70	132.99
Provision Against Non-Financial Assets	2,009.26	495.21
Premium Deficiency Reserve	2,445.62	-
Software Expenses	768.53	418.57
Service Tax and GST Expense	1,085.82	814.28
Rating Expenses	54.66	148.60
Loss on Sale of Assets Acquired in Satisfaction of Debts (Net)	64.32	-
Amortisation of Excess Interest Spread ("EIS")	531.15	232.47
Claims and Other Benefits	89,194.47	60,267.14
Corporate Social Responsibility Expenses (Refer Note 40.2)	39.62	-
Loss on foreign currency transaction (Net)	56.49	-
Expense Towards Contingency (Refer Note No. 45(a)(II))	673.99	-
Miscellaneous Expenses	535.43	601.67
<b>Total</b>	<b>137,126.11</b>	<b>104,564.00</b>

**40.1 Payment to Auditors**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
As Auditor:		
Audit Fees	118.19	96.84
Tax Audit Fees	9.46	9.05
In other Capacity:		
Fees For Other Services	28.38	15.74
For Reimbursement of Expenses	21.35	8.12
<b>Total</b>	<b>177.38</b>	<b>129.75</b>

**40.2 Corporate Social Responsibility ("CSR") Expenses**

- (a) Gross amount required to be spent by the group companies during the current year is Rs 67.84 Lakhs (March 31, 2019: Rs 63.42 Lakhs).
- (b) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	39.62	-

- (c) Related party transactions during the year in relation to CSR expenditure is Rs Nil (March 31, 2019: 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.



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

41. Income Tax Expense

a) Income Tax Recognised in Profit and Loss

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Current Tax Expense</b>		
Current tax on profits for the year	267.77	304.62
Tax for Earlier Years (Net)	32.14	125.36
	299.91	429.98
<b>MAT Credit Entitlement (Created) / Reversed</b>	87.82	(96.27)
<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	83.45	(332.26)
(Incremental) / Decremental Deferred Tax Assets on Account of:		
Expected Credit Losses Allowance	(54.36)	(19,638.52)
Provision for Employee Benefits	68.51	29.69
Carry Forward Losses	(174.17)	19,065.89
Property, Plant and Equipments	380.61	67.00
Others	94.22	216.33
	398.26	(591.87)
<b>Total Income Tax Expenses Recognised in Profit and Loss</b>	<b>785.99</b>	<b>(258.16)</b>

b) Deferred Tax Related to Items Recognised in OCI During the Year

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Current Tax Expense</b>		
Remeasurement on Defined Benefit Plans	-	-
<b>Deferred Tax Related to Items Recognised in OCI During the Year</b>	<b>-</b>	<b>-</b>



(Amount in Rs. lakhs, unless otherwise stated)

## c) The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit Before Tax (A)	(103,011.57)	(150,353.22)
<b>Computed Tax Expense Based on Applicable Tax Rates to Group Companies (B)</b>	<b>2,045.88</b>	1,555.25
<b>Tax Effect of :</b>		
Expenses disallowed for tax purpose	<b>2,883.91</b>	1,251.98
Deduction Claimed / Expenses Allowed for Tax Purpose	<b>(2,249.78)</b>	(1,344.01)
Losses Set off	<b>(2,367.08)</b>	(1,131.30)
Adjustment of profit according to IRDA regulations	<b>(42.42)</b>	(29.64)
Income taxes related to prior years	<b>32.14</b>	125.36
Others (Net)	<b>(2.74)</b>	2.34
<b>Current Tax Provision (C)</b>	<b>299.91</b>	429.98
<b>MAT Credit Entitlement Created / (Reversed) (D)</b>	<b>87.82</b>	(96.27)
<b>Deferred Tax Provision (Refer Note 41(a) above) (E)</b>	<b>398.26</b>	(591.87)
<b>Tax Expenses recognised in Statement of Profit and Loss (C + D + E) (F)</b>	<b>785.99</b>	(258.16)

(Refer Note 12)

## 42. Earnings Per Share ("EPS")

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit / (Loss) attributable to equity holders (Rs in Lakhs)	<b>(93,246.95)</b>	(128,716.65)
Diluted effect of the subsidiary Companies (Rs in Lakhs)	<b>(163.14)</b>	-
Diluted Profit / (Loss) attributable to equity holders (Rs in Lakhs)	<b>(93,410.09)</b>	(128,716.65)
Weighted average number of Equity Shares used for calculating Basic EPS (Nos)	<b>235,764,730</b>	203,286,309
Effect of dilutive equivalent share options (Nos)	-	-
Total weighted average number of Equity Shares used for calculating Diluted EPS (Nos)	<b>235,764,730</b>	203,286,309
Basic Earnings Per Share (Rs)	<b>(39.55)</b>	(63.32)
Diluted Earnings Per Share (Rs)	<b>(39.62)</b>	(63.32)
Face Value Per Equity Share (Rs)	<b>10.00</b>	10.00



43. **Maturity Analysis of Assets and Liabilities** (Amount in Rs. lakhs, unless otherwise stated)

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, 2020		As at March 31, 2019		Total
	Within 12 months	After 12 months	Within 12 months	After 12 months	
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	37,240.19	-	17,200.33	-	17,200.33
Bank Balance Other Than Above	108,208.12	5.50	112,105.91	4.35	112,110.26
Receivables					
- Trade Receivables	6,746.56	2,633.50	31,733.93	2,896.20	34,630.13
Other Receivables	-	-	-	-	-
Loans	79,972.39	230,546.71	169,856.52	335,703.25	505,559.77
Investments	42,879.59	159,426.33	31,697.16	112,077.94	143,775.10
Other Financial Assets	16,204.18	6,396.27	15,008.57	4,959.56	19,968.13
<b>Non-financial Assets</b>					
Inventories	46.54	-	9.67	-	9.67
Current Tax Assets (Net)	23,042.05	5,225.37	32,130.55	619.80	32,750.35
Deferred Tax Assets (Net)	-	51,959.19	205.81	52,187.19	52,393.00
Property, Plant and Equipments	-	12,522.75	-	2,857.17	2,857.17
Goodwill	-	972.04	-	972.04	972.04
Other Intangible Assets	-	4,002.08	-	4,448.50	4,448.50
Intangible Assets Under Development	-	1,323.82	-	1,318.75	1,318.75
Other Non-Financial Assets	22,814.98	849.70	27,771.50	1,437.57	29,209.07
<b>Total Assets</b>	<b>337,154.60</b>	<b>475,863.26</b>	<b>437,719.95</b>	<b>519,549.82</b>	<b>957,269.77</b>



Particulars	As at March 31, 2020		As at March 31, 2019	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Payables				
- Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	2.07	-	47.03	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	28,443.05	776.80	28,380.48	56.68
- 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	16,638.93	-	14,053.94	-
Borrowings (Other than Debt Securities)	275,873.48	203,283.07	289,317.76	325,894.68
Subordinated Liabilities	-	56,474.70	-	56,442.57
Other Financial Liabilities	93,070.77	19,487.11	53,879.72	2,662.98
<b>Non-Financial Liabilities</b>				
Provisions	1,764.38	534.93	1,277.99	236.91
Other Non-Financial Liabilities	97,238.45	0.50	79,794.66	0.50
<b>Total Liabilities</b>	513,031.13	280,557.11	466,751.58	385,294.32
<b>Net</b>	(175,876.53)	195,306.15	(29,031.63)	134,255.50

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.



44. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures. (Amount in Rs. lakhs, unless otherwise stated)

As at March 31, 2020									
Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Amount (Rs in Lakhs)
	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		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Parent</b>									
Religare Enterprises Limited	1495.40%	151,058.91	33.26%	(31,016.33)	-4.33%	(51.50)	33.75%	(31,067.83)	
<b>Subsidiaries - Indian</b>									
Religare Finvest Limited	48.16%	4,865.05	96.17%	(89,676.23)	-15.22%	(181.15)	97.61%	(89,857.38)	
Religare Commodities Limited	58.69%	5,928.64	-0.23%	218.00	-0.39%	(4.70)	-0.23%	213.30	
Religare Housing Development Finance Corporation Limited	199.78%	20,180.82	-0.57%	531.56	-3.73%	(44.43)	-0.53%	487.13	
Religare Health Insurance Company Limited	607.93%	61,410.72	-7.22%	6,733.96	158.38%	1,885.66	-9.36%	8,619.62	
Religare Comtrade Limited	-103.34%	(10,438.66)	0.34%	(319.99)	0.00%	-	0.35%	(319.99)	
Religare Broking Limited	130.93%	13,225.74	2.30%	(2,146.32)	-17.80%	(211.90)	2.56%	(2,358.22)	
Religare Insurance Limited	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-	
Religare Advisors Limited (formerly known as Religare Wealth Management Limited)	-12.10%	(1,222.43)	0.04%	(40.41)	0.00%	-	0.04%	(40.41)	
Religare Credit Advisor Private Limited	0.87%	87.83	0.01%	(5.26)	0.00%	-	0.01%	(5.26)	
Religare Business Solution Limited	0.01%	0.64	0.00%	(0.60)	0.00%	-	0.00%	(0.60)	
<b>Subsidiaries - Foreign</b>									
Religare Global Asset Management Inc.	-1.07%	(107.94)	0.00%	(2.93)	0.00%	-	0.00%	(2.93)	
<b>Minority Interest in all subsidiaries</b>	-92.34%	(9,328.03)	-11.31%	10,550.61	-16.22%	(193.17)	-11.25%	10,357.44	
<b>Joint Ventures (Investment as per equity method) - Indian</b>									
IBOF Investment Management Private Limited	0.22%	22.38	0.01%	(13.14)	0.00%	-	0.01%	(13.14)	
<b>Net Goodwill on Consolidation (All on standalone companies reported above)</b>	9.62%	972.04	0.00%	-	0.00%	-	0.00%	-	
<b>Intercompany elimination and other consolidated adjustments</b>	-2242.76%	(226,554.17)	-12.80%	11,940.13	-0.69%	(8.23)	-12.96%	11,931.90	
<b>Total</b>	<b>100.00%</b>	<b>10,101.59</b>	<b>100.00%</b>	<b>(93,246.95)</b>	<b>100.00%</b>	<b>1,190.58</b>	<b>100.00%</b>	<b>(92,056.37)</b>	



(Amount in Rs. lakhs, unless otherwise stated)

As at March 31, 2019									
Name of the Entity	Net Assets (Total Assets minus Total Liabilities <sup>^</sup> )		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Amount (Rs in Lakhs)
	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	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%	5,835.75	81.83%	298.49	-4.78%	6,134.24	
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%	(1,136.87)	12.92%	47.13	0.85%	(1,089.74)	
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)	
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	0.04%	35.51	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>	-277.01%	(230,760.98)	-11.93%	15,354.98	0.00%	-	-11.96%	15,354.98	
<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, 2020

(Amount in Rs. lakhs, unless otherwise stated)

### 44A Changes in liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1)	Debt Securities	-	-	44,535.37
2)	Borrowings (Other than Debt Securities)	479,156.55	615,212.44	883,728.77
3)	Subordinated Liabilities	56,474.70	56,442.57	56,348.63
4)	Lease Liability	9,557.04	50.94	147.32
5)	Interest Payables	33,490.14	1,496.27	8,525.92
		<b>578,678.43</b>	<b>673,202.22</b>	<b>993,286.01</b>

Particulars	Debt Securities	Borrowings (Other than Debt Securities)	Subordinated Liabilities	Lease Liability	Interest payable thereon	Total
<b>As at March 31, 2018</b>	44,535.37	883,728.77	56,348.63	147.32	8,525.92	993,286.01
<b>Cash Flows</b>						
Proceed / (Repayment) (Net)	(44,886.38)	(274,421.36)	93.94	(96.38)	-	(319,310.18)
Interest Paid	-	-	-	-	(90,642.88)	(90,642.88)
<b>Non-Cash Flows</b>						
Additional Lease Liability	-	-	-	-	-	-
Interest Accrued	351.01	577.55	-	-	83,613.23	84,541.79
<b>As at March 31, 2019*</b>	-	<b>609,884.96</b>	<b>56,442.57</b>	<b>50.94</b>	<b>1,496.27</b>	<b>667,874.74</b>
<b>Cash Flows</b>						
Proceed / (Repayment) (Net)	-	(131,088.23)	32.13	(3,901.70)	-	(134,957.80)
Interest Paid	-	-	-	-	(51,104.44)	(51,104.44)
<b>Non-Cash Flows</b>						
Additional Lease Liability	-	-	-	12,352.98	-	12,352.98
Interest Accrued	-	359.82	-	1,054.82	83,098.31	84,512.95
<b>As at March 31, 2020</b>	-	<b>479,156.55</b>	<b>56,474.70</b>	<b>9,557.04</b>	<b>33,490.14</b>	<b>578,678.43</b>

\*As on March 31, 2019 Rs 5,327.48 Lakhs was reported as Cash & Cash Equivalent in Cash Flow Statement and thus as per financials Borrowings (Other than Debt Securities) as on March 31, 2019 was Rs 615,212.44 Lakhs.

### 45. Contingent Liabilities and Commitments

#### (a) Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Claims against the Group not acknowledged as debts	1,311.81	1,114.71
(b) Guarantees <sup>A</sup>		
- Bank Guarantees given by the bankers on behalf of the Company / subsidiaries / joint ventures	16,507.55	21,511.09
- Other Bank Guarantees	93.95	94.21
(c) Other money for which the company is contingently liable		
- Disputed Income Tax Demands not provided for <sup>B</sup>	35,234.64	12,248.18
- Disputed Service Tax Demand not provided for <sup>C</sup>	390.45	387.26
- Disputed Value Added Tax ("VAT") demand not provided for <sup>D</sup>	1,022.25	702.25
- Disputed Provident Fund ("PF") demand not provided for <sup>E</sup>	647.01	123.85
- Difference due to ROI increase, Penal and other charges debited by banks <sup>F</sup>	-	3,123.35
- Underwriting commitments / obligations for shares/ debentures / Letter of Comfort <sup>G</sup>	11,246.92	96,389.87
<b>Total</b>	<b>66,454.58</b>	<b>135,694.77</b>





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.

<sup>A</sup> (i) Certain guarantees have been disclosed at net outstanding value instead of face value.

(ii) It includes financial and other guarantees issued by the banks for and on behalf of the RBL to stock exchanges, clearing corporations and others. These are issued against 50% to 100% cash collateral in the form of Fixed Deposits.

(iii) During the year ended March 31, 2020, the Company has given corporate guarantee to bankers on behalf of a subsidiary company Religare Broking Limited amounting to Rs 12,500 Lakhs against the fund based and non fund based facilities. As on March 31, 2020, the outstanding fund based and non fund based facilities availed by aforesaid subsidiaries against the Company's bank guarantee amounts to Rs 4,291 Lakhs.

<sup>B</sup> (i) Inclusive of Rs 44.75 Lakhs (March 31, 2019: Nil) has been adjusted with tax refunds due and (ii) a demand of Rs 58.73 Lakhs (March 31, 2019: Rs 50.00 Lakhs) has been paid under protest in Religare Housing Development Finance Corporation Limited, a subsidiary of the Company.

(ii) Out of this Religare Finvest Limited ("RFL"), a subsidiary of the Company : (a) Rs 6,149.39 Lakhs (March 31, 2019: Rs 426.02 Lakhs) has been adjusted with tax refunds due to it; and (b) A demand of Rs 700.00 Lakhs (March 31, 2019: Rs 600.00 Lakhs) has been paid in protest.

(iii) Amount paid under protest Rs 0.74 Lakhs (March 31, 2019: Rs 42 Lakhs) by Religare Commodities Limited, a wholly owned sub-subsidiary of the Company.

<sup>C</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 CESAT.

<sup>D</sup> In RFL out of this, Rs 33.41 Lakhs (March 31, 2019: Rs 31.71 Lakhs) has been paid under protest.

<sup>E</sup> Amount paid under protest Rs 21.46 Lakhs by Religare Broking Limited, a wholly owned subsidiary of the Company.

<sup>F</sup> During the Year Ended March 31, 2019, some of the lenders have increased interest rates mainly due to downgrade in External Credit Rating ("ECR") of the couple of Group companies. RFL has raised the concern and has been pursuing with the banks for restoring the contractual Rate of Interest ("ROI"). During the current year the Interest and other charges has been book under finance cost, pending resolution with the banks.

<sup>G</sup> Underwriting commitments / obligations for shares/ debentures / Letter of Comfort includes followings:

- (i) 'During the year ended March 31, 2018, Bartleet Transcapital Limited ("BTL"), Srilanka has exercise their put option right to require Religare Capital Markets International (Mauritius) Limited's ("RCMIML") (subsidiary of Religare Capital Market Limited ("RCML"), RCML and the Company to acquire shareholding of BTL in Bartleet Religare Securities Private Limited, Srilanka (BRS) for a consideration of USD 10,497,422.98 as per the Option shareholders' agreement between RCMIML and BTL. Subsequently, RCMIML has entered into Sale and Purchase Agreement dated December 21, 2017 for sale of its share of its investment in BRS to BTL. The transaction has not been completed as at the year end due to pending legal case against RCMIML. The estimated value of exercised put option as at March 31, 2020 amounts to Rs 7,913.59 Lakhs (March 31, 2019 Rs 7207.53 Lakhs).
- (ii) 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, 2020 Rs 3,333.33 Lakhs (March 31, 2019: Rs 5,000 Lakhs).
- (iii) During the previous years, two non resident shareholders of Religare Finvest Limited ("RFL"), a subsidiary of the Company, had exercised their right of put option requiring the Company to acquire their shareholding in RFL and had filed petitions in Delhi High Court for seeking various reliefs. Accordingly, a contingent liability of Rs Nil (previous year Rs 84,182.34 Lakhs) was disclosed. On February 11, 2020, the Company, entered into Share Purchase Agreements ("SPA") for acquisition of 3,76,41,204 equity shares of RFL constituting 14.36% shareholding of RFL from the said non resident shareholders. Further, Consent Term Agreements had been entered amongst the parties to amicably settle all the existing disputes initiated by the said non resident shareholders against the Company and RFL. The



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2020

Company deposited a sum of Rs 894.85 Lakhs with the Hon'ble Court as settlement amount in accordance with the terms set out therein.

Accordingly, in terms of the SPA, 14.36% stake of RFL was acquired for a consideration of Rs 4,705 Lakhs and RFL became a wholly owned subsidiary of the Company on February 28, 2020.

#### Notes:

(I) During the year ended March 31, 2017, the Company had entered into an agreement for payment of Brand License Fees to RHC Holding Private Limited ("RHC") for a period of 6 years effective April 01, 2016 for usage of the "Religare" trademark / brand. During the year ended March 31, 2018, RHC has assigned the trade mark "Religare" and its logo to Elive Infotech Private Limited ("assignee / Elive"). 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. The Delhi High Court vide its order date February 22, 2018 passed an order to maintain status quo regarding the Religare Trademark. RHC and Elive have filed an application under Section 340 Code of Criminal Procedure ("CrPC") against SCCPL for willfully knowing, deliberately making false statements and submitting forged documents. The matter is sub-judice.

(II) In the matter of Daiichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016), an interim application has been filed by the Company disputing its liability as a garnishee. The Company has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of Rs 4,190.28 Lakhs appearing as liability portion of redeemable preference shares in schedule 16) and disputed the liability stating the transaction to be an illegal one. The Hon'ble High Court of Delhi 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 for various offences under the Indian Penal Code, 1860 w.r.t. transactions relating to issuance and redemption of Preference Shares. The Company has been served with warrants of attachment, which is being contested / challenged.

However, the Company has obtained a legal opinion based on which adhoc provision of Rs 673.99 Lakhs has been considered.

The Company has also filed a petition in NCLT, Delhi under Section 55 & 59 of the Companies Act, 2013 seeking rectification of register of members of the Company w.r.t. 2.50 Crores preference shares issued by the Company to RHC Finance Private Limited in August, 2016. The matter is sub-judice.

In Supreme Court there are the contempt proceedings against the Singh Brothers for allegedly violating Delhi High Court orders and selling their stake in Fortis Healthcare Limited. Hon'ble Supreme Court of India has injuncted NCLT from admitting the IBC cases. Now, RFL, REL and RCTL is impleaded as a party in the said proceedings.

The term sheet signed by the Company provides a Redemption Event that "holders of the Preference Shares, may have the option to subscribe to equity shares in REL though preferential allotment worth the Due Amount subject to approval of the shareholders at the time if required and subject to compliance with SEBI regulations and other applicable law.

(III) 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. Metafinity 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 Metafinity 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.

(IV) (a) The Company has given Letter of Comfort ("LoC") to the Religare Comtrade Limited ("RCTL"), a wholly owned sub-subsidiary of the Company, in FY 2018-19 which was cancelled and new LoC was issued on May 15, 2020, as approved by the Board of the Company in its meeting held on February 12, 2020 to provide unconditionally and



irrevocably financial support to RCTL for repayment of all its outstanding dues including interest on Non Convertible Debentures issued by RCTL. Hence, RCTL's financial statements are prepared as for a going concern.

- (b) The Company has given LoC to the Religare Advisors Limited (before known as Religare Wealth Management Limited) ("RAL"), subsidiary of the Company, to provide financial support of Rs 250 Lakhs to meet its business requirement, which will be paid by REL as and when business demands cash funds and support for revival of business.
- (V) Hon'ble Supreme Court has pronounced a judgment 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.
- (VI) Strategic Credit Capital Private Limited ("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 the 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 the RFL's fixed deposits placed with LVB. An interim order dated February 22, 2018 was passed to maintain status quo regarding the trademark as described in the Schedule of the Deed of Assignment. The RFL has also filed application for rejection of plaint under order-VII Rule-11 and application under section 340 Code of Criminal Procedure ("CrPC") against SCCPL for filing fabricated indemnification cum release agreement. Now the case is listed for disposal of interim applications. Further, Loancore has filed substitution on behalf of SCCPL by way of assignment deed. An application filed by Loancore Servicing Solutions Private Limited for substitution in place of plaintiffs came up for hearing on May 14, 2019 but were posted along with the main suit already posted for July 16, 2019. Thereafter, SCCPL also moved an application u/o39 R-1/2 of CrPC seeking injunction against RFL and the Company, restraining them from selling RFL and RHDFC businesses. The said application has been disposed-off in terms of order dated February 22, 2018 (issued on August 9, 2019). Matter is now listed for arguments on all pending applications on August 14, 2020.

SCCPL and associate companies ("Plaintiffs") have filed a suit seeking relief inter alia in the nature of specific performance of part of the Settlement Agreement entered into between RFL ("Defendant") and the Plaintiffs in July, 2017. The Plaintiffs are seeking discharge of their obligations under the Agreement.

RFL has filed applications for the following:

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

The Plaintiffs have filed replies to the applications filed by the RFL. The Court has given liberty to RFL to file rejoinder, if any.

The Plaintiffs have recently filed two applications:

1. seeking injunctive orders qua the investigating agency(EOW) (under order 39 rule 1&2 ); and
2. application for amendment of plaint (under order 6 rule 17 CrPC.)

Next date of hearing is July 30, 2020 for filing of replies by RFL and also for arguments on the said applications.

- (VII) 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 advices 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. The Capital to Risk Weighted Assets Ratio ("CRAR") of the RFL as on March 31, 2020 is below the prescribed limit.
- (VIII) During the year ended March 31, 2020, Loancore Servicing Solutions Private Limited has filed Section 9 (of IBC code, 2016) petition against the Company on the basis of Penalty Fee Agreement of Rs 12,500 Lakhs (approx.). The said notice refer to the agreement allegedly executed / signed by ex-chairman of the Company with 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. REL's Certificate of CIC and NBFC submitted in the Court. Reply has also been filed by REL. The matter is being pursued for disposal in our favor.

- (IX) The Securities and Exchange Board of India ("SEBI") issued an ex parte order dated October 17, 2018 and interim order dated March 19, 2019 ("Order"). The Order was based on the forensic audit conducted by MSA Probe Consulting Private Limited ("MSA"). The ex parte order held that the RFL is liable to pay an amount of Rs 20,000 Lakhs to Fortis Healthcare Limited ("FHL") & Fortis Hospitals Limited ("FHL") without even ascertaining whether the RFL was in-fact liable to pay the said amount. The said order inter-alia continued the debilitating restraints against the RFL by directing the RFL to not dispose or alienate any of its assets or divert funds except for repayment of funds.

On April 23, 2019, an appeal was filed before Securities Appellate Tribunal ("SAT") against the order dated October 17, 2018 and order dated March 19, 2019. Further, the SAT on August 22, 2018 recorded that "we find that prima facie, there appears to be a contradiction in the impugned order dated October 17, 2018 and subsequent order passed by the Whole Time Member ("WTM") in another matter dated March 14, 2019".

After hearing both the parties i.e. SEBI and RFL, the SAT passed an order dated January 29, 2020 quashing and setting aside the SEBI order qua RFL. The SAT has remitted the matter to WTM of SEBI for passing fresh order, if they so desire after giving an opportunity of hearing to the RFL.

SAT has further directed the RFL to maintain its assets worth Rs 20,000 Lakhs for a period of three months from the SAT's order. If the WTM is unable to pass the order within aforesaid period, this limited restraint order that SAT has passed will come to an end. However, due to Covid-19 outbreak, the Hon'ble Supreme Court has taken suo-moto cognizance and excluded the lockdown period from the limitation till further orders.

In view of the above, it cannot be assumed that three months as mentioned in SAT order dated January 29, 2020 has elapsed. SEBI can still pass the order and RFL shall continue to keep the restraint in place.

- (X) SEBI passed an ad-interim ex-parte order dated March 14, 2019 ("Order") in relation of the Company which inter alia includes initiation of steps to recall the amount of Rs 231,509 Lakhs given directly or indirectly from Religare Finvest Limited ("RFL"), a subsidiary of the Company. The noticee entities (except the Company and RFL) 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 has also directed the erstwhile promoters of the Company (Mr. Shivinder Mohan Singh and Mr. Malvinder Mohan Singh) to not to associate themselves with the affairs of the Company and RFL, in any manner whatsoever, till further directions.

Pursuant to SEBI order, RFL has been constantly engaging with SEBI through personal hearing and written representations to seek various reliefs / clarifications in the aforesaid order which amongst other aspects include the inclusion of Lakshmi Vilas Bank ("LVB") as a noticee to the order.

SEBI on September 11, 2019 passed an interim order in the matter wherein they have recorded the submissions made by RFL for seeking reliefs. In the matter of LVB, SEBI has recorded that prima facie the findings of SEBI shall not be construed as a conclusive pronouncement of SEBI on the legality or otherwise of the adjustment of Fixed Deposits by LVB. Further, SEBI mentioned that both RFL and LVB may independently pursue remedies available under the law, in respect of the dispute.

"SEBI has also recorded the submissions made by other noticees and has furthermore, maintained its earlier stand except few changes such as noticees (BRNL, OSPL, and RCTL) are vacated from the order based on their submissions.

The detailed investigation in the matter is still underway with SEBI.

- (X) Fortis Hospitals Limited has filed a suit for recovery against RFL & others basis the SEBI Order dated October 17, 2018 and confirmatory Order March 19, 2019. Fortis Hospitals Limited ("Plaintiff") during the last hearing before the Court stated that it would not press the interim application for the moment and prayed for issuance of notice to all the defendants. The Hon'ble Court after hearing submissions of the respective counsels issued notice to the Defendants including RFL.

RFL has already filed its written statement. The matter is listed on August 19, 2020.

In the appeal preferred by RFL, the SAT vide order dated January 29, 2020 has quashed the orders dated October 17, 2018 and March 19, 2019. The same will be placed on record before the Hon'ble High Court.



(Amount in Rs. lakhs, unless otherwise stated)

**(b) Commitments**

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Estimated amount of contracts remaining to be executed and not provided for*	171.43	398.89
(b) Other commitments		
- Undisbursed Sanctioned Loans	39.67	319.58
(c) Uncalled Liability on Shares^	4,077.50	4,077.50
<b>Total</b>	<b>4,288.60</b>	<b>4,795.97</b>

\* Net of Advances, if any.

^ Unpaid capital call on equity shares of Religare Capital Markets Limited

**46. Financial Instruments****(a) Financial Instruments by Category**

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Cash and Cash Equivalents	-	-	37,240.19	-	-	17,200.33
Bank Balance Other Than Above	-	-	108,213.62	-	-	112,110.26
Receivables						
- Trade Receivables	-	-	9,380.06	-	-	34,630.13
Loans	-	-	310,519.10	-	-	505,559.77
Investments						
- Mutual Funds	10,781.54	-	-	4,099.95	-	-
- Alternative Investment Funds ("AIF") / Venture Capital Funds	723.00	-	-	2,107.55	-	-
- Government Securities	-	-	60,453.85	-	-	43,239.95
- Debt Securities	-	-	15,186.33	-	-	10,008.11
- Equity Instruments (Fully Paid-up)	-	989.16	-	-	887.81	-
- Joint Ventures - Using Equity Method	-	-	22.37	-	-	35.52
- Other Approved (by IRDA) Securities	-	112,354.16	-	-	81,459.04	-
- Others ('RARC 059 (RHDFC HL) TRUST)	1,795.15	-	-	1,936.81	-	-
- Others	-	-	0.36	-	-	0.36
Other Financial Assets	-	-	22,600.45	-	-	19,968.13
<b>Total Financial Assets</b>	<b>13,299.69</b>	<b>113,343.32</b>	<b>563,616.33</b>	<b>8,144.31</b>	<b>82,346.85</b>	<b>742,752.56</b>
<b>Financial Liabilities</b>						
Payables						
- Trade Payables	-	-	29,221.92	-	-	28,484.19
- Other Payables	-	-	16,638.93	-	-	14,053.94
Borrowings (Other than Debt Securities)	-	-	479,156.55	-	-	615,212.44
Subordinated Liabilities	-	-	56,474.70	-	-	56,442.57
Other Financial Liabilities	-	-	112,557.88	-	-	56,542.70
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>694,049.98</b>	<b>-</b>	<b>-</b>	<b>770,735.84</b>



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

### (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.

(Amount in Rs. lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments at FVTPL				
- Mutual Funds	10,781.54	-	-	10,781.54
- Alternative Investment Funds ("AIF") / Venture Capital Funds	-	-	723.00	723.00
- Others ('RARC 059 (RHDFC HL) TRUST)	-	1,795.15	-	1,795.15
Investments at FVTOCI				
- Equity Instruments (Fully Paid-up)	81.32	-	907.84	989.16
- Other Approved (by IRDA) Securities	-	112,354.16	-	112,354.16
<b>Total Financial Assets</b>	<b>10,862.86</b>	<b>114,149.31</b>	<b>1,630.84</b>	<b>126,643.01</b>
<b>Financial Liabilities</b>	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-

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
- 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>	-	-	-	-

There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2020 and 2019.

**(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

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Total		Alternative Investment Funds		Pass Through Certificates		Equity Instruments	
	March, 2020	March, 2019	March, 2020	March, 2019	March, 2020	March, 2019	March, 2020	March, 2019
<b>Opening Balance</b>	<b>2,808.55</b>	4,110.62	<b>2,107.55</b>	3,168.15	-	442.47	<b>701.00</b>	500.00
Purchases	<b>5,406.84</b>	13,825.00	<b>5,200.00</b>	13,825.00	-	-	<b>206.84</b>	-
Sales	<b>(5,941.48)</b>	(15,607.34)	<b>(5,941.48)</b>	(15,164.87)	-	(442.47)	-	-
Loss of Principal (Investment Written Off)	<b>(495.47)</b>	-	<b>(495.47)</b>	-	-	-	-	-
Transfer in to Level-3	-	-	-	-	-	-	-	-
Transfer from Level-3	-	-	-	-	-	-	-	-
Net Interest Income, Net Trading Income and Other Income	<b>36.26</b>	288.42	<b>36.26</b>	178.05	-	110.37	-	-
Other Comprehensive Income	-	201.00	-	-	-	-	-	201.00
<b>Closing Balance</b>	<b>1,630.84</b>	2,808.55	<b>723.00</b>	2,107.55	-	-	<b>907.84</b>	701.00
<b>Unrealised Gains and (Losses) Related to Balances Held at the End of the Year</b>	<b>(147.60)</b>	(279.27)	<b>(147.60)</b>	(279.27)	-	-	-	-

**(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.



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

- (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, 2020				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and Cash Equivalents	37,240.19	-	-	37,240.19	37,240.19
Bank Balance Other Than Above	108,213.62	-	-	108,213.62	108,213.62
Receivables					
- Trade Receivables	9,380.06	-	-	9,380.06	9,380.06
Loans	310,519.10	-	-	310,519.10	310,519.10
Investments	75,662.91	-	-	75,662.91	75,662.91
Other Financial Assets	22,600.45	-	-	22,600.45	22,600.45
<b>Total</b>	<b>563,616.33</b>	<b>-</b>	<b>-</b>	<b>563,616.33</b>	<b>563,616.33</b>
<b>Financial Liabilities</b>					
Payables					
- Trade Payables	29,221.92	-	-	29,221.92	29,221.92
- Other Payables	16,638.93	-	-	16,638.93	16,638.93
Borrowings (Other than Debt Securities)	479,156.55	-	-	479,156.55	479,156.55
Subordinated Liabilities	56,474.70	-	-	56,474.70	56,474.70
Other Financial Liabilities	112,557.88	-	-	112,557.88	112,557.88
<b>Total</b>	<b>694,049.98</b>	<b>-</b>	<b>-</b>	<b>694,049.98</b>	<b>694,049.98</b>

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	17,200.33	-	-	17,200.33	17,200.33
Bank Balance Other Than Above	112,110.26	-	-	112,110.26	112,110.26
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	19,968.13	-	-	19,968.13	19,968.13
<b>Total</b>	<b>742,752.56</b>	<b>-</b>	<b>-</b>	<b>742,752.56</b>	<b>742,752.56</b>
<b>Financial Liabilities</b>					
Payables					
- Trade Payables	28,484.19	-	-	28,484.19	28,484.19
- Other Payables	14,053.94	-	-	14,053.94	14,053.94
Borrowings (Other than Debt Securities)	615,212.44	-	-	615,212.44	615,212.44
Subordinated Liabilities	56,442.57	-	-	56,442.57	56,442.57
Other Financial Liabilities	56,542.70	-	-	56,542.70	56,542.70
<b>Total</b>	<b>770,735.84</b>	<b>-</b>	<b>-</b>	<b>770,735.84</b>	<b>770,735.84</b>

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.



**(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) During the last Financial year 2018-19, 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 financial year 2018-19, 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 fulfill the criteria of a financial asset and has been recognized accordingly in the books. The value of the aforesaid investments as on March 31, 2020 is Rs. 1,795.15 Lakhs (March 31, 2019: Rs 1,936.81 Lakhs).

**47. 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 Company 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 Company 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.



(a) Primary Segment Information for the year ended March 31, 2020 is as under:

**INFORMATION ABOUT PRIMARY BUSINESS SEGMENT**

PARTICULARS	(Amount in Rs. lakhs, unless otherwise stated)						TOTAL
	Investment and Financing Activities	Broking Related Activities	Financial Advisory Services	E-Governance	Insurance	Unallocated	
(i) Segment Revenue							
External Revenue	51,424.03	19,567.27	62.07	2,015.50	165,430.69	2,418.48	240,918.04
Inter -Segmental Revenue	89,715.85	23,288.20	116.03	2,399.59	122,246.97	725.62	238,492.26
	(601.44)	(577.98)	-	-	-	-	(1,179.42)
	(76.63)	(310.42)	-	-	(110.81)	(26.67)	(524.53)
Add: Interest/Dividend Income							9.23
							133.37
Total Revenue	50,822.59	18,989.29	62.07	2,015.50	165,430.69	2,418.48	239,747.85
	89,639.22	22,977.78	116.03	2,399.59	122,136.16	698.95	238,101.10
(ii) Segment Results	(108,802.89)	(2,906.02)	(4.94)	406.67	6,815.65	1,484.36	(103,007.17)
	(151,088.78)	(2,256.43)	(8.37)	658.43	5,682.27	(3,431.87)	(150,444.75)
Less: Interest expense							0.49
							32.88
Income Taxes (Current and Deferred)							785.99
							(258.16)
Share in Profit / (Loss) of Joint Ventures / Associates (using Equity Method)							(13.14)
							(8.96)
Profit / (Loss) For The Year							(103,797.56)
							(150,095.06)
Other Comprehensive Income							1,383.75
							395.34
Total Comprehensive Income For The Year							102,413.81
							(149,699.72)
Total Comprehensive Income For The Year attributable to:							



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

PARTICULARS	Investment and Financing Activities	Broking Related Activities	Financial Advisory Services	E-Governance	Insurance	Unallocated	TOTAL
a) Owners of the Company							<b>(92,056.37)</b>
							<i>(128,351.86)</i>
b) Non Controlling Interest							<b>(10,357.44)</b>
							<i>(21,347.86)</i>
(iii) Segment Assets	<b>441,466.53</b>	<b>52,341.37</b>	<b>144.25</b>	<b>1,527.50</b>	<b>205,360.04</b>	-	<b>700,839.69</b>
	<i>634,618.80</i>	<i>69,739.96</i>	<i>182.36</i>	<i>1,534.82</i>	<i>156,916.70</i>	-	<i>862,992.64</i>
Unallocated Corporate Assets						<b>112,178.17</b>	<b>112,178.17</b>
						<i>94,277.13</i>	<i>94,277.13</i>
<b>Total Assets</b>	<b>441,466.53</b>	<b>52,341.37</b>	<b>144.25</b>	<b>1,527.50</b>	<b>205,360.04</b>	<b>112,178.17</b>	<b>813,017.86</b>
	<i>634,618.80</i>	<i>69,739.96</i>	<i>182.36</i>	<i>1,534.82</i>	<i>156,916.70</i>	<i>94,277.13</i>	<i>957,269.77</i>
(iv) Segment liabilities	<b>605,649.46</b>	<b>41,314.80</b>	<b>56.42</b>	<b>1,517.39</b>	<b>150,725.48</b>	-	<b>799,263.55</b>
	<i>693,045.51</i>	<i>59,974.55</i>	<i>89.27</i>	<i>1,527.66</i>	<i>116,800.27</i>	-	<i>871,437.26</i>
Unallocated Corporate Liabilities						<b>3,652.72</b>	<b>3,652.72</b>
						<i>2,527.56</i>	<i>2,527.56</i>
<b>Total liabilities</b>	<b>605,649.46</b>	<b>41,314.80</b>	<b>56.42</b>	<b>1,517.39</b>	<b>150,725.48</b>	<b>3,652.72</b>	<b>802,916.27</b>
	<i>693,045.51</i>	<i>59,974.55</i>	<i>89.27</i>	<i>1,527.66</i>	<i>116,800.27</i>	<i>2,527.56</i>	<i>873,964.82</i>
(v) Capital Expenditure*	<b>356.11</b>	<b>334.84</b>	-	-	-	<b>43.83</b>	<b>734.78</b>
	<i>400.01</i>	<i>135.86</i>	-	<i>1.24</i>	-	<i>7.11</i>	<i>544.22</i>
(vi) Depreciation and Amortization	<b>1,237.98</b>	<b>1,671.73</b>	<b>4.89</b>	<b>65.65</b>	<b>3,043.75</b>	<b>60.35</b>	<b>6,084.35</b>
	<i>389.49</i>	<i>441.65</i>	<i>7.82</i>	<i>38.01</i>	<i>1,599.87</i>	<i>96.30</i>	<i>2,573.14</i>
(vii) Non Cash Expenditure other than Depreciation	<b>18,782.96</b>	<b>641.25</b>	-	<b>0.29</b>	-	<b>451.69</b>	<b>19,876.19</b>
	<i>140,234.58</i>	<i>623.01</i>	-	<i>0.07</i>	-	<i>1,916.98</i>	<i>142,774.65</i>

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.



(Amount in Rs. lakhs, unless otherwise stated)

**(b) Geographical Segment - Secondary Segment Information for the year ended March 31, 2020 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 March 31, 2020	For the Year Ended March 31, 2019
<b>Revenue</b>		
Domestic operations	239,747.85	238,101.10
Foreign Operations	-	-
<b>Total</b>	<b>239,747.85</b>	<b>238,101.10</b>
<b>Carrying Amount of Segment Assets</b>		
Domestic operations	812,953.82	957,205.31
Foreign Operations	64.04	64.46
<b>Total</b>	<b>813,017.86</b>	<b>957,269.77</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.

**48. Details of individually immaterial joint ventures and associates**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Aggregate carrying amount of its interests in all individually immaterial joint ventures or associates	22.37	35.52
Aggregate amount of Group's share of:		
Profit or (loss) from continuing operations	(13.14)	(8.96)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(13.14)</b>	<b>(8.96)</b>

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Share of profit / (loss) from joint ventures	(13.14)	(8.96)
Share of profit / (loss) from associates	-	-
<b>Total</b>	<b>(13.14)</b>	<b>(8.96)</b>

**49 Disclosure as per Ind AS 116 'Lease' :**

The Group has adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

On adoption of Ind AS-116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS-17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was ranging from 8.80% to 11%.

The Group has also recognised the right-of-use ("ROU") assets equal to an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

**Practical expedients applied**

In applying Ind AS-116 for the first time, the company has used the following practical expedients permitted by the standard:



- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date, the company relied on its assessment made applying Ind AS-17 for determining whether an arrangement contains a lease.

Initial application impact (on April 1, 2019)

✓ **Leases previously classified as operating leases**

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

The adoption of Ind AS 116 affected the following items in the balance sheet on April 1, 2019, initial application day:

Particulars	Amount Rs in Lakhs
• Right-of-use assets increased / (decreased) by	10,139.02
• Deferred tax assets increased / (decreased) by	-
• Prepaid expenses increased / (decreased) by	(513.25)
• Accruals for lease incentives increased / (decreased) by	-
• Lease liabilities (increased) / decreased by	(9,628.93)
• Lease Equalization Reserve (increased) / decreased by	3.18

Reconciliation of the operating lease commitments disclosed applying Ind AS 17 as at March 31, 2019 and lease liabilities recognised in the balance sheet at the date of initial application:

Particulars	Amount Rs in Lakhs
Operating lease commitments disclosed as at March 31, 2019	5,455.52
Add: adjustments as a result of a different treatment of extension and termination options	6,876.01
Less: Discount using the lessee's incremental borrowing rate	2,702.60
<b>Lease liability recognised as at April 1, 2019</b>	<b>9,628.93</b>

✓ **Leases previously classified as finance leases**

- The net carrying value of assets procured under the finance lease of Rs 36.43 Lakhs (gross carrying and accumulated depreciation value of Rs 143.11 Lakhs and Rs 106.68 Lakhs respectively) have been reclassified from property, plant and equipment to right-of-use assets.
- The obligations under finance leases of Rs 50.94 Lakhs (non-current and current obligation under finance leases Rs 32.19 Lakhs and Rs 18.75 Lakhs respectively) have been reclassified to lease liabilities.

A single note disclosure for information about its leases:

-> Right-of-use assets: Refer notes 3(b) and 13

→ Lease Liability:

Particulars	Amount Rs in Lakhs	
	As At March 31, 2020	As At March 31, 2019
Current	3,353.69	32.19
Non - Current	6,203.35	18.75
Total	9,557.04	50.94



(Amount in Rs. lakhs, unless otherwise stated)

→ Amounts recognised in the 'Profit and Loss Statement':

Particulars	For the Year Ended March 31, 2020
Depreciation charge of right-of-use assets (Refer Note 13)	3,388.27
Add: Interest Expense (included in Finance Cost)	1,054.82
Add: Expense relating to short-term leases and relating to low value assets that are not shown as short-term leases (Reported under 'Other Expenses')	599.43
Total	5,042.52

→ Total Cash outflow during the year ended March 31, 2020:

Particulars	Amount Rs in Lakhs
• Payments for the principal portion of the lease liability (Financing Activities)	(2,846.88)
• Payments for the interest portion of the lease liability (Financing Activities)	(1,054.82)
• Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability (Operating Activities)	(533.61)

→ As at March 31, 2020, the Company has commitments under non-cancellable leases which fall due as follows:

Particulars	Amount Rs in Lakhs
<b>Maturity Analysis – contractual undiscounted cash flows</b>	
Within 1 Year	3,698.15
1 Year to 2 Years	2,973.34
2 Years to 3 Years	1,823.86
3 Years to 4 Years	1,518.38
4 Years to 5 Years	544.76
After 5 Years	809.59
<b>Total undiscounted lease liabilities</b>	<b>11,368.08</b>
Impact of discounting	(1,811.04)
<b>Lease Liabilities included in the balance sheet as at March 31, 2020</b>	<b>9,557.04</b>

Disclosure as per Ind AS - 17 'Lease' :

**(A) Assets taken on Operating Lease**

- (i) 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.
- (ii) The future minimum lease rentals for non-cancellable leases outstanding are as under:

Minimum Lease Rentals	For the Year Ended March 31, 2019
Not later than 1 year	753.31
Later than 1 year and not later than 5 years	647.63
Later than 5 years	-

- (iii) Rent payments are recognised in the Statement of Consolidated Profit and Loss under 'Rent' in Note 42, "Other Expenses".



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

(Amount in Rs. 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 March 31, 2019
Total of future minimum lease payments	58.60
Present value of lease receipts	50.94
<b>Un-matured finance charges</b>	<b>7.66</b>

(ii) Maturity Profile of future minimum lease payments:

Particulars	For the Year Ended March 31, 2019
Not later than 1 year	37.93
Later than 1 year and not later than 5 years	20.67
Later than 5 years	-
<b>Total</b>	<b>58.60</b>

(iii) Maturity Profile of present value of lease payments:

Particulars	For the Year Ended March 31, 2019
Not later than 1 year	32.19
Later than 1 year and not later than 5 years	18.75
Later than 5 years	-
<b>Total</b>	<b>50.94</b>

### 50 Share Based Payment

#### (A) Religare Enterprises Limited ("REL")

The Board of Directors at its meeting held on February 12, 2019, approved the Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019 / Scheme") to issue and allot stock options up to a maximum of 10% of expanded share capital of the Company (after taking into account any other equity Shares including through convertible instruments) for the permanent employees and directors whether a whole-time director or not (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company and its present and future holding company and subsidiary company(ies) in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The shareholders of the Company approved the Scheme vide their special resolution passed through postal ballot on March 29, 2019.

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme.

(i) Details of grants approved for employees of the Company, its subsidiary & parent in accordance with the Stock Option Scheme:

To the employees of the Company

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
1-Apr-19	29.43	8,575,000	-	-	-	7,300,000	1,275,000
9-Sep-19	31.35	650,000	-	-	-	-	650,000
<b>Total</b>		<b>9,225,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,300,000</b>	<b>1,925,000</b>





(Amount in Rs. lakhs, unless otherwise stated)

To the employees of the subsidiaries (including step down subsidiaries)

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
1-Apr-19	29.43	6,825,000	-	-	-	1,125,000	5,700,000
19-Jun-19	29.43	500,000	-	-	-	-	500,000
8-Aug-19	30.85	600,000	-	-	-	-	600,000
9-Sep-19	31.35	350,000	-	-	-	-	350,000
<b>Total</b>		<b>8,275,000</b>	-	-	-	<b>1,125,000</b>	<b>7,150,000</b>

(ii) Weighted average fair value of stock options granted during the year is as follows:

Particulars	Current Year (Scheme 2020)				Previous Year
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	
Grant date	April 01, 2019	June 19, 2019	Aug 8, 2019	Sep 9, 2019	-
No. of options granted	15,400,000	500,000	600,000	1,000,000	-
Weighted average fair value (Rs)	29.43	29.43	30.85	31.35	-

Following table depicts range of exercise prices and weighted average remaining contractual life

Total for all grants	No. of options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,500,000	29.43-31.35	29.74	3.39
Cancelled during the year	8,425,000	29.43	29.43	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	9,075,000	29.43-31.35	29.74	3.39
Exercisable at the end of the year	-	-	-	-

Note: The weighted average market price of equity shares for options exercised during the year is Nil (previous year Nil).

(iii) Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model.

Note: For the year ended March 31, 2020, the Company has accounted expense of Rs 15 Lakhs as employee benefit Expenses on the aforesaid employee stock option plan (March 31, 2019: Nil). The balance in employee stock option outstanding account is Rs 56.43 Lakhs as of March 31, 2020 (March 31, 2019: Nil).



# Notes Forming Part of the Consolidated Financial Statements

## For the year ended March 31, 2020

### (iv) Transactions during the year -

During the year, the Company has:

**Credited ESOP reserve on:**

- Debiting to employee related cost by Rs 11.04 Lakhs (March 31, 2019: Nil) being ESOP expenses on its own employees;
- Debiting investment in subsidiaries by Rs 41.43 (March 31, 2019: Nil) being ESOP expenses on its subsidiaries employees;”

Credited to retained earning and debited employee related cost by Rs 3.96 Lakhs (March 31, 2019: Nil) being ESOPs granted to the employees of the Company by its subsidiary.

- The Company granted 50,00,000 stock options at a grant price of Rs 24.10 per share on June 01, 2020 and 65,00,000 stock options at a grant price of Rs 39.55 per share on July 27, 2020 under “Religare Enterprises Limited Employees Stock Option Plan 2019” (REL ESOP Scheme 2019). On July 17, 2020, the Company allotted 715,750 Equity Shares of face value of Rs 10 each at exercise price of Rs 29.43 each pursuant to exercise of stock options granted under the REL ESOP Scheme 2019. Pursuant to the said allotment, the issued, subscribed and paid up equity capital of the Company stands increased from Rs 25,812.82 Lakhs divided into 258,128,152 equity shares of Rs 10 each to Rs 25,884.39 Lakhs divided into 258,843,902 Equity Shares of Rs 10 each.

### (B) 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 (Rs)	Estimated fair value of share granted (Rs)
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 40% on expiry of 48 months from grant date		

**Employee Stock Option Scheme 2014**

Series	Date of grant	Number Granted	Contractual Life	Vesting Conditions	Exercise Price per option (Rs)	Estimated fair value of share granted (Rs)
Series-I	28-Jul-14	9,575,000	3 years	33% on expiry of 12 months from grant date 33% on expiry of 24 months from grant date 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	Date of grant	Number Granted	Contractual Life	Vesting Conditions	Exercise Price per option (Rs)	Estimated fair value of share granted (Rs)
Series-XI	31-Jul-18	4,061,707	1 year	100% on expiry of 12 months from grant date		
Series-I - New	6-Nov-18	28,868,288	3 years	33% on expiry of 12 months from grant date	21.85	21.85
Series-II - New	6-Nov-18	17,361,155	3 years	33% on expiry of 24 months from grant date	10	21.85
Series-III - New	7-Feb-19	243,160	3 years	34% on expiry of 36 months from grant date	10	26.1
Series-IV - New	28-Jun-19	584,584	3 years	33.33% on expiry of 12 months from grant date	34.31	34.31
Series-V - New	19-Nov-19	2,311,376	3 years	33.33% on expiry of 24 months from grant date	10	34.31
Series-VI - New	19-Nov-19	657,979	3 years	33.34% on expiry of 36 months from grant date	34.31	34.31

**CEO Scheme 2014**

Series	Date of grant	Number Granted	Contractual Life	Vesting Conditions	Exercise Price per option (Rs)	Estimated fair value of share granted (Rs)
Category-1 (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		
Category-1 (new Grant)	28-Jul-14	2,285,714	3 years	33% on expiry of 12 months from grant date 33% on expiry of 24 months from grant date 34% on expiry of 36 months from grant date	10	10
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		March 31, 2016		
Category-1 (new Grant)	27-Apr-15	1,714,286		33% on expiry of 12 months from grant date 33% on expiry of 24 months from grant date 34% on expiry of 36 months from grant date		



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

Series	Date of grant	Number Granted	Contractual Life	Vesting Conditions	Exercise Price per option (Rs)	Estimated fair value of share granted (Rs)
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 33% on expiry of 24 months from grant date 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 33% on expiry of 24 months from grant date 34% on expiry of 36 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 33% on expiry of 24 months from grant date 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 33% on expiry of 24 months from grant date 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 33% on expiry of 24 months from grant date 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		



Series	Date of grant	Number Granted	Contractual Life	Vesting Conditions	Exercise Price per option (Rs)	Estimated fair value of share granted (Rs)
Category-3	30-Mar-16	857,143		March 30, 2017		
Category-1 (new Grant)	30-Jun-16	407,143		33% on expiry of 12 months from grant date 33% on expiry of 24 months from grant date 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 33% on expiry of 24 months from grant date 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 33% on expiry of 24 months from grant date 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	Date of grant	Number Granted	Contractual Life	Vesting Conditions	Exercise Price per option (Rs)	Estimated fair value of share granted (Rs)
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		34% on expiry of 36 months from grant date	10	26.1
Series-IV - New	28-Jun-19	539,618	3 years	33.33% on expiry of 12 months from grant date	34.31	34.31
Series-V - New	19-Nov-19	2,162,040	3 years		34.31	34.31

Note: During the year, valuation has been taken at comparable company method



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

Scheme	Number of Options Outstanding as on April 1, 2019	Issued During the year	Cancellation of Options due to resignations / surrender 2019-20	Options Exercised 2019-20	Number of Options outstanding as on March 31, 2020	Exercisable as at March 31, 2020
<b>ESOP Scheme 2010*</b>						
- Series-I	-	-	-	-	-	-
- Series-II	-	-	-	-	-	-
- Series-III	-	-	-	-	-	-
<b>ESOP Scheme 2014</b>						
- Series-I	200,000	-	-	-	200,000	200,000
- Series-II	250,000	-	-	250,000	-	-
- Series-III	42,500	-	-	42,500	-	-
- Series-IV	42,500	-	-	42,500	-	-
- Series-V	36,500	-	-	36,500	-	-
- Series-VI	43,600	-	100	43,500	-	-
- Series-VII	-	-	-	-	-	-
- Series-VIII	-	-	-	-	-	-
- Series-IX	-	-	-	-	-	-
- Series-X	-	-	-	-	-	-
- Series-XI	4,061,707	-	-	-	4,061,707	4,061,707
- Series-I - New	28,868,288	-	81,252	-	28,787,036	9,605,561
- Series-II - New	17,361,155	-	125,331	-	17,235,824	5,761,408
- Series-III - New	243,160	-	2,106	-	241,054	80,340
- Series-IV - New	-	584,584	3,352	-	581,232	-
- Series-V - New	-	2,311,376	-	-	2,311,376	-
- Series-VI - New	-	657,979	-	-	657,979	-
<b>CEO Scheme 2014</b>						
- Series-I	-	-	-	-	-	-
- Series-II	6,775,100	-	-	-	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	1,570,432
- Series-I - New	13,224,900	-	-	-	13,224,900	4,407,859
- Series-II - New	15,561,816	-	-	-	15,561,816	5,186,753
- Series-III - New	224,463	-	-	-	224,463	74,814
- Series-IV - New	-	539,618	-	-	539,618	-
- Series-V - New	-	2,162,040	-	-	2,162,040	-
<b>Total</b>	<b>98,364,260</b>	<b>6,255,597</b>	<b>212,141</b>	<b>415,000</b>	<b>103,992,716</b>	<b>47,582,113</b>

The weighted average remaining contractual life of options outstanding at the March 31, 2020 is 1.67 years

**Key Assumptions used to estimate the fair market value of options granted during the financial year 2019-20 are as below:**

Comparable company multiples and Comparable transaction multiples methodology have been used for computing the fair value of equity shares of the company for the purpose of computing compensation cost of ESOPs.



## (C) Religare Finvest Limited (“RFL”)

## (i) Details of grants approved for employees of the RFL, its subsidiary &amp; parent in accordance with the Stock Option Scheme:

To the employees of the RFL

Grant date	Exercise price	Number of Options outstanding as on April 01, 2019	Options granted during the year	Options vested and exercisable	Options unvested	Options Exercised / Expired	Options cancelled during the year	Number of Options outstanding as on March 31, 2020
13-Aug-13	98.00	1,446,000	-	1,446,000	-	792,000	-	654,000
30-Sep-14	108.00	1,175,000	-	1,175,000	-	975,000	-	200,000
<b>Total</b>		<b>2,621,000</b>	<b>-</b>	<b>2,621,000</b>	<b>-</b>	<b>1,767,000</b>	<b>-</b>	<b>854,000</b>

To the employees of the Subsidiary of RFL

Grant date	Exercise price	Number of Options outstanding as on April 01, 2019	Options granted during the year	Options vested and exercisable	Options unvested	Options Exercised / Expired	Options cancelled during the year	Number of Options outstanding as on March 31, 2020
13-Aug-13	98.00	715,000	-	715,000	-	400,000	-	315,000
30-Sep-14	108.00	160,000	-	160,000	-	100,000	-	60,000
<b>Total</b>		<b>875,000</b>	<b>-</b>	<b>875,000</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>375,000</b>

To the employees of the Parent of RFL

Grant date	Exercise price	Number of Options outstanding as on April 01, 2019	Options granted during the year	Options vested and exercisable	Options unvested	Options Exercised / Expired	Options cancelled during the year	Number of Options outstanding as on March 31, 2020
13-Aug-13	98.00	400,000	-	400,000	-	400,000	-	-
30-Sep-14	108.00	620,000	-	620,000	-	460,000	-	160,000
<b>Total</b>		<b>1,020,000</b>	<b>-</b>	<b>1,020,000</b>	<b>-</b>	<b>860,000</b>	<b>-</b>	<b>160,000</b>

## (ii) Details of grants approved in ESOP Scheme 2019 for employees of the RFL, its subsidiary &amp; parent in accordance with the Stock Option Scheme:

To the employees of the RFL

Grant date	Exercise price	Number of Options outstanding as on April 01, 2019	Options granted during the year	Options vested and exercisable	Options unvested	Options Exercised / Expired	Options cancelled during the year	Number of Options outstanding as on March 31, 2020
20-May-19	11.89	-	12,772,882	-	12,772,882	-	1,195,000	11,577,882
19-Jun-19	11.89	-	400,000	-	400,000	-	-	400,000
7-Aug-19	11.89	-	200,000	-	200,000	-	200,000	-
9-Sep-19	11.89	-	550,000	-	550,000	-	-	550,000
<b>Total</b>		<b>-</b>	<b>13,922,882</b>	<b>-</b>	<b>13,922,882</b>	<b>-</b>	<b>1,395,000</b>	<b>12,527,882</b>



To the employees of the Subsidiary of the RFL

Grant date	Exercise price	Number of Options outstanding as on April 01, 2019	Options granted during the year	Options vested and exercisable	Options unvested	Options Exercised / Expired	Options cancelled during the year	Number of Options outstanding as on March 31, 2020
20-May-19	11.89	-	955,000	-	955,000	-	155,000	800,000
7-Aug-19	11.89	-	250,000	-	250,000	-		250,000
<b>Total</b>		-	<b>1,205,000</b>	-	<b>1,205,000</b>	-	<b>155,000</b>	<b>1,050,000</b>

To the employees of the Parent of the RFL

Grant date	Exercise price	Number of Options outstanding as on April 01, 2019	Options granted during the year	Options vested and exercisable	Options unvested	Options Exercised / Expired	Options cancelled during the year	Number of Options outstanding as on March 31, 2020
7-Aug-19	11.89	-	125,000	-	125,000	-	-	125,000
<b>Total</b>		-	<b>125,000</b>	-	<b>125,000</b>	-	-	<b>125,000</b>

(iii) Weighted average fair value of stock options granted during the year is as follows:

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Number of Options Granted during the year	Weighted average fair value	Number of Options Granted during the year	Weighted average fair value
<b>Grant date</b>				
20-May-19	13,727,882	11.89	-	-
19-Jun-19	400,000	11.89	-	-
7-Aug-19	575,000	11.89	-	-
9-Sep-19	550,000	11.89	-	-

Following table depicts range of exercise prices and weighted average remaining contractual life

Total for all grants	No. of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	4,516,000	98-108	19.82	2.87
Granted during the year	15,252,882	11.89		
Cancelled during the year	1,550,000	11.89 to 90		
Expired during the year	2,727,000	-		
Exercised during the year	-	-		
Outstanding at the end of the year	15,091,882	11.89 to 90		
Exercisable at the end of the year	654,000	98-108		



**(iv) Method used for accounting for share based payment plan**

The RFL has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model.

**(v) Transactions during the year -**

Amount (Rs in Lakhs)

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Number of Options outstanding	Amount	Number of Options outstanding	Amount
During the year, the RFL has:				
Credited ESOP reserve on:				
Debiting the employee related cost being ESOP expenses on its own employees	13,381,882	-	2,621,000	-
Debiting investment in subsidiaries being ESOP expenses on its subsidiaries employees	1,425,000	-	875,000	-
Debiting retained earnings being ESOP expenses on its parents employees	285,000	-	1,020,000	-
Credited 'equity' & debited employee related cost being ESOPs granted to the employees of the Company by its parent	6,165,000	37.03	-	-
Credited 'dividend income' & debited employee related cost being ESOPs granted to the employees of the RFL by its subsidiary	1,199,950	-	-	-

**(D) Religare Housing Development Finance Corporation Limited ("RHDFC")**

- (i) RHDFCL Employee Stock Option Scheme 2019 was approved by the Board of Directors of the RHDFC on February 06, 2019 and by shareholders of the RHDFC on March 05, 2019.

**To the employees of the RHDFC**

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
20-May-19	63.00	1,300,000			-	142,500	1,157,500
7-Aug-19	63.00	100,000			-	-	100,000
<b>Total</b>		<b>1,400,000</b>	-	-	-	<b>142,500</b>	<b>1,257,500</b>

**To the employees of the parent (Religare Finvest Limited)**

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
20-May-19	63.00	999,950					999,950
9-Nov-19	63.00	200,000					200,000
<b>Total</b>		<b>1,199,950</b>	-	-	-	-	<b>1,199,950</b>



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

(ii) Weighted average fair value of stock options granted during the year is as follows:

Particulars	Number of Options Granted during the year March 31, 2020	Weighted average fair value	Number of Options Granted during the year March 31, 2019	Weighted average fair value
<b>Grant date</b>				
20-May-19	2,299,950	63.00	-	-
7-Aug-19	100,000	63.00	-	-
9-Nov-19	200,000	63.00	-	-

Following table depicts range of exercise prices and weighted average remaining contractual life

Total for all grants	No. of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year			63.00	3.18
Granted during the year	2,599,950	63		
Cancelled during the year	142,500	63		
Expired during the year	-			
Exercised during the year	-			
Outstanding at the end of the year	2,457,450	63		
Exercisable at the end of the year	-	-		

(iii) Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model.

(iv) Transactions During The Year

Particulars	Number of Options outstanding as at March 31, 2020	For the Year ended March 31, 2020 (Rs lakhs)	Number of Options outstanding as at March 31, 2019	For the Year ended March 31, 2019 (Rs lakhs)
<b>During the year, the RHDFC has:</b>				
Credited ESOP reserve on:				
Debiting the employee related cost being ESOP expenses on its own employees	1,257,500	-	-	-
Debiting retained earnings being ESOP expenses on its parents employees	1,199,950	-	-	-
Credited 'equity' & debited employee related cost being ESOPs granted to the employees of the RHDFC by its parent	1,425,000	-	-	-
Credited 'equity' & debited employee related cost being ESOPs granted to the employees of the RHDFC by its Ultimate parent	360,000	2.76	-	-

**(E) Religare Broking Limited (“RBL”)**

The Board of Directors of the RBL have approved the following grants in accordance with the Stock Option Scheme (RBL ESOP 2019).

The details of grants approved for employees of the RBL and parent (including ultimate parent) in accordance with the Stock Option Scheme:

To the employees of the RBL							
Grant date	Exercise price (Rs )	Options granted (in Lakhs)	Options vested and exercisable (in Lakhs)	Options unvested (in Lakhs)	Options exercised (in Lakhs)	Options cancelled (in Lakhs)	Options outstanding as on March 31, 2020
17-Apr-19	12.12	109.00	-	-	-	34.00	75.00
5-Aug-19	12.12	13.00	-	-	-	-	13.00
9-Aug-19	12.12	6.75	-	-	-	-	6.75
9-Mar-20	12.12	3.75	-	-	-	-	3.75
16-Mar-20	12.12	22.00	-	-	-	-	22.00
<b>Total</b>		<b>154.50</b>	-	-	-	<b>34.00</b>	<b>120.50</b>

To the employees of the Parent of the RBL							
Grant date	Exercise price (Rs )	Options granted (in Lakhs)	Options vested and exercisable (in Lakhs)	Options unvested (in Lakhs)	Options exercised (in Lakhs)	Options cancelled (in Lakhs)	Options outstanding as on March 31, 2020
17-Apr-19	12.12	30.00	-	-	-	-	30.00
<b>Total</b>		<b>30.00</b>	-	-	-	-	<b>30.00</b>

Particulars	ESOP Scheme 2019
Date of Grant	Various Dates
Date of Board Approval	March 08, 2019
Date of Shareholder's Approval	April 02, 2019
Number of Options Granted	184.50
Method of Settlement	Equity Settled
Vesting period	1 to 4 years
<b>Weighted average remaining contractual life (Vesting period)</b>	
Granted but not vested	3.23 Years
Vested but not exercised	NA
Weighted average share price at the date of exercise for stock options exercised during the year	NA
Exercise period	8 Years from the date of Vesting
Vesting conditions	25% vest after 1 year from the date of grant
Weighted Average Fair Value of options (granted but not vested) as on grant date	11.83
Range of Risk free interest rate	6.36%
Dividend yield	0%
Expected volatility	22%

Note: For the year ended 31 March 2020, the RBL has accounted expense of Rs 14.76 lakhs as employee benefit Expenses on the aforesaid employee stock option plan (Previous year Nil). The balance in employee stock option outstanding account is Rs 17.51 Lakhs as of 31 March 2020 (Previous year Nil).

**TRANSACTIONS DURING THE YEAR 2019-20**

During the year, the RBL has:

Credited ESOP reserve on:

- Debiting to employee related cost by Rs.13.55 Lakhs (previous year: Rs.Nil) being ESOP expenses on its own employees;
- Debiting retained earnings by Rs. 3.96 Lakhs (previous year: Rs.Nil) being ESOP expenses on its parents employees;
- Credited 'equity' & debited employee related cost by Rs.1.64 Lakhs (previous year: Rs.Nil) being ESOPs granted to the employees of the RBL by its parent;

Note: The options granted under ESOP Scheme 2016 have been surrendered by the employees in lieu of the New ESOP Scheme 2019 approved by the Board of Directors.

**51. Related Party Disclosures**

Nature of Relationship	Name of Party
<b>(a) Individual Owning Direct or Indirect Interest and Voting Power that Given them Control</b>	Nil
<b>(b) Joint Ventures of the Company</b>	IBOF Investment Management Private Limited
<b>(c) Key Managerial Personnel ("KMP") and close members of their families</b>	Dr. Rashmi Saluja (w.e.f. December 20, 2018) Mrs. Sabina Vaisoha (w.e.f. April 1, 2018) Mrs. Vijaylakshmi Rajaram Iyer (w.e.f. May 8, 2018) Mr. Malay Kumar Sinha (w.e.f. May 28, 2018) Mr. Sushil Chandra Tripathi (w.e.f. August 1, 2018) Mr. Siddarth Dinesh Mehta (w.e.f. July 30, 2019) Mr. Nitin Aggarwal (w.e.f. September 9, 2019) Mr. Krishnan Subramanian (till March 11, 2019) Mr. Ashok Mehta (w.e.f. April 17, 2018 till August 7, 2018) Mr. Milind Narendra Patel (w.e.f. August 7, 2018) Mr. Vikram Talwar (till September 20, 2018) Mr. Rama Krishna Shetty (till June 30, 2018) Mr. Padam Bahl (till June 4, 2018) Mr. Deepak Sabnani (till May 18, 2018) Mr. Sanjay D. Palve (w.e.f. August 17, 2018) Mr. Gaurav Kaushik (w.e.f. March 28, 2019) Mr. Gurvinder Singh Juneja (w.e.f. April 23, 2019 till August 8, 2019) Mr. Ashish Tyagi (w.e.f. August 8, 2019 till September 9, 2019) Mr. Rahul Mehrotra (w.e.f. March 3, 2020) Mr. Gagan Chhabra (w.e.f. March 3, 2020) Mr. Gourav Mardia (w.e.f. December 10, 2018 till March 03, 2020) Mr. Anuj Gulati Mr. Pankaj Gupta Mr. Ajay Shah Mr. Chandrakant Mishra Mr. Nitin Katyal



Nature of Relationship	Name of Party
	Mr. Anoop Singh Ms. Bhawana Jain Mr. Pratik Kapoor Mr. Sanjeev Meghani Mr. Manish Dodeja Mr. Irvinder Singh Kohli Mr. Kamal Kumar Kaushik (w.e.f. May 29, 2018 till July 16, 2019) Mr. Sham Lal Mohan Lt. Gen (Retd.) Shamsher Singh Mehta Mrs. Asha Nair Dr. Manjushree Ghodke (w.e.f. September 18, 2019) Mr. Sanjay Chandel (w.e.f. December 13, 2019) Mr. Tirlockee Chauhan Mr. Gurpreet Singh Sidana (w.e.f. September 25, 2019) Mr. Jayant Manglik - (w.e.f. September 05, 2018) Mrs. Sanjana Manglik Mr. Rajender Singh Kaira (w.e.f. June 12, 2019) Mr. Mohit Adhikari (w.e.f. June 12, 2019)
<b>(d) Enterprises over which KMP and close members of their families are able to exercise significant influence with whom transactions have taken place</b>	Nil
<b>(e) Post-Employment Benefit Plan</b>	Religare Enterprises Limited Group Gratuity Trust Religare Finvest Limited Group Gratuity Scheme Religare Housing Development Finance Corporation Limited Group Gratuity Scheme Religare Commodities Limited Group Gratuity Scheme Religare Health Insurance Limited Group Gratuity Scheme Religare Securities Limited Group Gratuity Scheme Religare Capital Market Limited Group Gratuity Scheme REL Infracilities Limited Group Gratuity Scheme
<b>(f) Subsidiaries / Subsidiaries of Subsidiary *</b>	Religare Capital Markets Limited 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 Religare Capital Markets (Hongkong) 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)



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. 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 Year Ended on March 31, 2020	For the Year Ended on March 31, 2019
<b>FINANCING TRANSACTIONS</b>				
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>OTHER RECEIPTS AND PAYMENTS</b>				
Purchase of Fixed Asset				
	Mr. Tirlockee Chauhan	c	0.03	-
<b>Purchase of Fixed Asset Total</b>			0.03	-
Insurance Premium Received in Advance				
	Mr. Anuj Gulati	c	-	0.29
<b>Insurance Premium Received in Advance Total</b>			-	0.29
Receipt / Refund of Premium				
	Mr. Anuj Gulati	c	-	0.41
	Mr. Pankaj Gupta	c	0.04	0.74
	Mr. Ajay Shah	c	0.13	1.00
	Ms. Bhawana Jain	c	0.01	-
	Mr. Manish Dodeja	c	0.29	-
	Mr. Anoop Singh	c	0.03	-
	Mr. Sanjeev Meghani	c	0.54	-
	Mr. Pratik Kapoor	c	0.05	-
	Lt Gen (Retd) Shamsher Singh Mehta	c	0.20	-
	Religare Capital Markets Limited	f	-	0.55
<b>Receipt / Refund of Premium Total</b>			1.29	2.70
<b>INCOME</b>				
Brokerage Earned				
	Ms. Sanjana Manglik	c	-	0.01
	Mr. Nitin Aggarwal	c	0.01	-
<b>Brokerage Earned Total</b>			0.01	0.01
Depository Charges				



NATURE OF TRANSACTIONS	Name of the Related Party	RP Type	For the Year Ended on March 31, 2020	For the Year Ended on March 31, 2019
	Religare Capital Markets Limited	f	0.15	0.15
<b>Depository Charges Total</b>			<b>0.15</b>	0.15
Interest Income on Inter Corporate Loans				
	Religare Capital Markets Limited	f	-	79.55
<b>Interest Income on Inter Corporate Loans Total</b>			<b>-</b>	79.55
Lease Rental Income				
	Religare Capital Markets Limited	f	0.63	0.61
<b>Lease Rental Income Total</b>			<b>0.63</b>	0.61
Expenses Reimbursement by Other Companies				
	Religare Capital Markets Limited	f	-	1.39
<b>Expenses Reimbursement by Other Companies Total</b>			<b>-</b>	1.39
<b>EXPENSES</b>				
Remuneration to Key Management Personnel *				
	Dr. Rashmi Saluja	c	<b>5,244.57</b>	4,394.78
	Mr. Anuj Gulati	c		
	Mr. Pankaj Gupta	c		
	Mr. Ajay Shah	c		
	Mr. Chandrakant Mishra	c		
	Mr. Nitin Katyal	c		
	Mr. Anoop Singh	c		
	Ms. Bhawana Jain	c		
	Mr. Pratik Kapoor	c		
	Mr. Sanjeev Meghani	c		
	Mr. Manish Dodeja	c		
	Mr. Irvinder Singh Kohli	c		
	Mr. Krishnan Subramanian	c		
	Mr. Jayant Manglik	c		
	Mr. Nitin Aggarwal	c		
	Mr. Tirlockee Chauhan	c		
	Mr. Gurpreet Singh Sidana	c		
	Mr. Sanjay D Palve	c		
	Mr. Gaurav Kaushik	c		
	Mr. Kamal Kumar Kaushik	c		
	Mr. Gourav Mardia	c		



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

NATURE OF TRANSACTIONS	Name of the Related Party	RP Type	For the Year Ended on March 31, 2020	For the Year Ended on March 31, 2019
	Mr. Milind Narendra Patel	c		
	Mr. Rahul Mehrotra	c		
	Mr. Gagan Chhabra	c		
	Mr. Gurvinder Singh Juneja	c		
	Mr. Ashish Tyagi	c		
	Mr. Mohit Adhikari	c		
	Mr. Rajendra Singh Kaira	c		
<b>Remuneration to Key Management Personnel Total</b>			<b>5,244.57</b>	4,394.78
Director's Sitting Fees				
	Mr. Deepak Sabnani	c	-	1.00
	Mr. Malay Kumar Sinha	c	<b>51.80</b>	36.20
	Mr. Rama Krishna Shetty	c	-	5.20
	Mr. Sushil Chandra Tripathi	c	<b>31.00</b>	21.20
	Mr. Vikram Talwar	c	-	16.00
	Ms. Sabina Vaisoha	c	<b>19.00</b>	16.40
	Dr. Manjushree Ghodke	c	<b>6.20</b>	2.00
	Mr. Padam Bahl	c	-	1.40
	Ms. Vijayalakshmi Rajaram Iyer	c	<b>18.00</b>	29.40
	Dr. Rashmi Saluja	c	<b>48.20</b>	5.80
	Mr. Gurvinder Singh Juneja	c	<b>0.50</b>	-
	Mr. Sanjay Chandel	c	<b>1.00</b>	-
	Lt Gen (Retd) Shamsher Singh Mehta	c	<b>15.00</b>	12.20
	Mr. Siddharth Dinesh Mehta	c	<b>3.00</b>	-
	Mrs. Asha Nair	c	<b>10.91</b>	4.40
	Mr. Sham Lal Mohan	c	<b>15.00</b>	17.40
<b>Director's Sitting Fees Total</b>			<b>219.61</b>	168.60
Expenses Reimbursement to Other Companies				
	Religare Capital Markets Limited	f	-	0.38
<b>Expenses Reimbursement to Other Companies Total</b>			<b>-</b>	0.38
Contribution to Post Employment Benefit Plans				
	Religare Housing Development Finance Corporation Limited Group Gratuity Scheme	e	<b>43.23</b>	27.56
	Religare Finvest Limited Group Gratuity Scheme	e	<b>34.28</b>	27.53





NATURE OF TRANSACTIONS	Name of the Related Party	RP Type	For the Year Ended on March 31, 2020	For the Year Ended on March 31, 2019
	Religare Enterprises Limited Group Gratuity Trust	e	-	22.62
	Religare Securities Limited Group Gratuity Scheme	e	30.72	15.49
	Religare Commodities Limited Group Gratuity Scheme	e	75.10	-
<b>Contribution to Post Employment Benefit Plans Total</b>			<b>183.33</b>	93.20

(Amount in Rs. lakhs, unless otherwise stated)

OUTSTANDING BALANCES	Name of the Related Party	RP Type	As at March 31, 2020	As at March 31, 2019
<b>PAYABLES</b>				
Security Deposits Payable				
	Religare Capital Markets Limited	f	2.30	2.30
<b>Security Deposits Payable Total</b>			<b>2.30</b>	2.30
Other Payables				
	Religare Capital Markets (Hong Kong) Limited	f	60.82	56.14
	Religare Capital Markets Limited	f	4.31	4.31
<b>Other Payables Total</b>			<b>65.13</b>	60.45
KMP's Salary Payable				
	Mr. Mohit Adhikari	c	1.63	-
	Mr. Rajendra Singh Kaira	c	1.58	-
<b>KMP's Salary Payable Total</b>			<b>3.21</b>	-
<b>RECEIVABLES</b>				
Inter Corporate Loans Receivable				
	Religare Capital Markets Limited	f	901.60	901.60
<b>Inter Corporate Loans Receivable Total</b>			<b>901.60</b>	901.60
Expected Credit Loss on Outstanding Inter Corporate Loans				
	Religare Capital Markets Limited	f	901.60	901.60
<b>Expected Credit Loss on Outstanding Inter Corporate Loans Total</b>			<b>901.60</b>	901.60
Interest Receivable on Inter Corporate Loans				
	Religare Capital Markets Limited	f	353.27	353.27
<b>Interest Receivable on Inter Corporate Loans Total</b>			<b>353.27</b>	353.27



Notes Forming Part of the Consolidated Financial Statements  
For the year ended March 31, 2020

OUTSTANDING BALANCES	Name of the Related Party	RP Type	As at March 31, 2020	As at March 31, 2019
Expected Credit Loss on Interest Receivable on Inter Corporate Loans				
	Religare Capital Markets Limited	f	353.27	353.27
<b>Expected Credit Loss on Interest Receivable on Inter Corporate Loans Total</b>			<b>353.27</b>	353.27
Trade Receivable**				
	Religare Capital Markets Limited	f	0.77	0.57
<b>Trade Receivable Total</b>			<b>0.77</b>	0.57
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
Expected Credit Loss on advance given for Settlement of Corporate Guarantee				
	Religare Capital Markets Limited	f	1,326.50	1,326.50
<b>Expected Credit Loss on advance given for Settlement of Corporate Guarantee Total</b>			<b>1,326.50</b>	1,326.50
Other Receivables				
	Religare Capital Markets Limited	f	545.37	525.35
<b>Other Receivables Total</b>			<b>545.37</b>	525.35
Expected Credit Loss on Other Receivables				
	Religare Capital Markets Limited	f	545.37	312.43
<b>Expected Credit Loss on Other Receivables Total</b>			<b>545.37</b>	312.43

\* Remuneration to Key Management Personnel

Particulars	For The Year Ended On	
	March 31, 2020	March 31, 2019
Short Term Employee Benefits	3,195.16	3,090.19
Post - Employment Benefits	492.53	365.93
Long Term Employee Benefits	15.95	6.05
Employee Share Based Payments	1,540.93	932.61
<b>Total</b>	<b>5,244.57</b>	4,394.78

\*\* ECL provision against this has been made with other trade receivables of the group company using simplified method.



## 52 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 at group level and for company specific detail please refer respective Group companies standalone financials.

### (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, 2020, the investments in such instruments amounts to Rs 216,573.44 Lakhs (March 31, 2019: Rs 153,919). 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.

**53 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.



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2020

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.

#### 54 Other Notes

##### (a) The Micro, Small And Medium Enterprises Development ("MSMED") Act, 2006:

Rs 2.07 Lakhs was outstanding to Micro, Small and Medium Enterprises as at March 31, 2020 (March 31, 2019: Rs 47.03 Lakhs). 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) Religare Comtrade Limited ("RCTL"), a subsidiary of the Company had issued a loan recall notice dated September 4, 2018, calling upon RHC Holding Private Limited ("RHC Holding") to make payment of outstanding amount of Rs 11,187.35 Lakhs (Includes interest upto August, 2018) to which RHC Holding never responded. Before preferring an application in National Company Law Tribunal ("NCLT") New Delhi, RCTL came to know that similar application is already filed by HDFC Limited which was fixed for passing orders on admission / rejection. However, on December 6, 2018 the NCLT dismissed the said application on the account of its maintainability. The NCLT held that RHC Holding itself is a financial institution and therefore Section 7 application of Insolvency and Bankruptcy Code is not maintainable. RCTL is in process of initiating appropriate legal action for recovery of our dues from RHC Holding.

(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) The Religare Finvest Limited ("RFL"), a subsidiary of the Company has incurred losses during the year and earlier years which has resulted in decline in its net worth and adverse impact on other financial parameters. During the year ended March 31, 2020, RFL proposed its Debt Restructuring Plan ("DRP") to the lenders with the cut-off date of April 1, 2019 in terms of RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 to realign its debts with cash flows. The payments to lenders were being made in accordance with the proposed DRP. However, RBI did not accede to the request of TCG as investor in RFL in the month of March, 2020. During the same month, RFL also made a further payment of Rs 83,708.26 Lakhs to its lenders. The total amount paid to lenders aggregates to Rs 151,707 Lakhs (including Rs 8,764 Lakhs lying with State Bank of India) during the year ended March 31, 2020. Subsequent to the year end, RFL has submitted its updated DRP to the lenders and along with the Company is working towards its revival including discussions with potential investors. Accordingly, the financial statements have been prepared on Going Concern basis.

(f) In the matter of the Company's application with stock exchanges for re-classification of existing Promoters and Promoters Group, the stock exchanges vide communication dated March 13, 2020 have advised the Company to re-initiate the process of re-classification based on the request letters dated June 07, 2018 and August 08, 2018 earlier received from Promoters / Promoters Group in the year 2018.

The Board of Directors accordingly through a resolution passed by circulation on April 11, 2020 has again considered the request dated June 07, 2018 and August 08, 2018 of Promoters and Promoter Group along with the Company's communication dated March 16, 2020 to Promoters and Promoters Group for re-classification into the Public Shareholder category and accordingly approved the proposal for the "re-classification of Promoters and Promoter Group into the Public Shareholder" in terms of amended Listing Regulations. The shareholders of the Company have approved the matter through Postal Ballot on July 23, 2020, the results of which were submitted on July 24, 2020. However, the Company vide email dated July 23, 2020 has received a communication from Counsel of Mr. Shivinder Mohan Singh (One of the Promoters) stating that Mr. Shivinder Mohan Singh withdraws the request for re-classification from 'Promoters / Promoters Group' to 'Public Category'. However, as intimated to stock exchanges vide its announcement dated July 24, 2020 with detailed note, the Company is committed to disassociate itself from promoters of the Company at the earliest to instill the confidence in various stakeholders of Religare Group. The Company will also submit the application for re-classification of promoters with the stock exchanges in due course of time. The Company has also intimated it's stand to Mr. Shivinder Mohan Singh vide its response dated July 24, 2020.



- (g) (i) In the matter of Nakul Goel vs. RHC Holding & Ors.. a FIR is lodged by Nakul Goel against Others and Key Managerial Persons (“KMPs”) (past and present) of the Company i.e. Mr. Milind Patel, Mr. Gurvinder Juneja, Ms. Reena Jayara U/S. 406,409,411,420 R.W 120 IPC. The Company has filed a quashing petition on Oct 1, 2019 which is yet to be listed.
- (ii) In the matter of Malvinder Mohan Singh vs. Religare Enterprises Limited & Ors., in Hon’ble Delhi High Court, Mr. Malvinder Mohan Singh has filed Suit for declaration that termination of Indemnity and Release Agreement dated November 14, 2017 by the Company is unlawful. No notice is issued on the said Petition. REL has raised objections regarding maintainability of suit. The matter is sub-judice.
- (h) 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.

- (i) 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.
- (j) Subsequent to the year end, based on requests received from Religare Enterprises Limited (“REL”) and Religare Comtrade Limited (“RCTL”), subsidiaries of the Company; the Risk Management Committee, Audit Committee and Board of Directors of the Company have agreed for Settlement of loan amount at principal outstanding of Rs 18,550 Lakhs and Rs 12,500 Lakhs outstanding from REL and RCTL respectively and the Settlement Amount is payable by them within two years (on or before April 30, 2022). The entire current accrued and future interest component and all other charges till the date of actual payment of Settlement Amount is being waived off. Further, in case the Company divests its holding in RFL, partly or fully, the Loan Settlement will be accelerated, in a way that the proceeds of divestment shall be first utilized for accelerating the Settlement.
- (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 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. Under the above notification the exemption to spot contracts was only for one day forward contracts subject to certain conditions inter-alia including “no short sale by the members of exchange and all outstanding positions of the trades at the end of day shall result into delivery. FMC conducted enquiry on above contracts of NSEL and found that NSEL board allowed such contracts were ultimately in the nature of financial transactions. RCL being the member of NSEL entered trades on behalf of clients for such paired contracts at NSEL at that time. SEBI has alleged RCL as not a Fit & Proper person to continue as Stock Broker and advised to submit reply as to why action should not be undertake against RCL under regulation 27 of SEBI (Intermediaries) Regulations. RCL has submitted the reply on October 16, 2018 with SEBI.

Further, SEBI vide its letter dated October 16, 2019 has sought written explanation on the said matter and RCL has submitted the reply on November 22, 2019 with SEBI.

SEBI has vide its notice dated Feb 24, 2020 had called up to show cause as to why the information/ material brought out along with enquiry report concerning the fit and proper person criterion should not be considered and as to



## Notes Forming Part of the Consolidated Financial Statements

### For the year ended March 31, 2020

why the action recommended by the Designated Authority or any other action should not be taken against RCL as deemed fit by the Competent Authority, under Regulation 28(2) of intermediaries Regulations. RCL has submitted reply with SEBI on April 09, 2020.

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 411.54 Lakh (March 31, 2019: Rs 411.54 Lakh) have been disclosed under Trade Receivable and Trade Payable respectively. The Company will immediately settle the balances of its clients as and when NSEL pays off.

- (l) 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.
- (m) During the year Commodity Business of the Religare Commodities Limited (“RCL”), wholly owned subsidiary of Religare Broking Limited (“RBL”), wholly owned subsidiary of the Company has been transferred to RBL. The Company has also contemplated to start the new line of business in RCL in the next financial year which shall be subject to necessary approvals, permissions, etc.
- (n) Religare Global Asset Management Inc., USA (“RGAM Inc”), a subsidiary of the Company and one of its then affiliates, Landmark Partners LLC (“Landmark”) received a notice of adjustment from the Internal Revenue Service (“IRS Notice”) for the reversal of amortization expense in the amount of US\$ 10,269,136 relating to RGAM Inc.’s acquisition of Landmark in year 2011.

In September, 2016, Landmark filed a Petition with the United States Tax Court for Readjustment of Partnership Items under Code Section 6226(a) and praying that it be determined that the amortization adjustments proposed to be made under the notice be reversed.

A Motion for Entry of Decision along with a proposed decision to be entered by the Tax Court conceding the amortization deduction was filed by IRS on March 1, 2019. Pursuantly, the Tax Court entered an Order and Decision on May 13, 2019 which contained the Agreement of the parties wherein the amortization deduction would be conceded by the IRS and allowed in full. Consequently, the case was concluded.

#### (o) **Exceptional Item - Expense Towards Capital Commitment**

Axis Bank has filed an Original Application (“OA”) before the DRT-II, Delhi for recovery of Rs 31,293.93 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 (“RCML”). REL has not provided any security / guarantee in relation the facility. REL has executed a Non-Disposal Undertaking (“NDU”) in favor of Axis Bank stating that until the repayment of the loan to Axis Bank by RCMIML, REL shall not alienate the shares in RHICL. REL has been made a party to the proceedings based on the NDU and certain other actions taken by it. 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 two applications on May, 08 2018 for deletion of REL as a party and recall of the order dated March 21, 2018 against REL. The same were dismissed by DRT dated December 18, 2018. Written statement filed. Posted for filing of Evidence by way of affidavit. Subsequently, Axis Bank filed application for claiming restraint on the transfer of RFL to TCG Advisors which was granted vide order dated August 26, 2019. Thereafter, REL entered into consent agreement with Axis Bank and submitted the same to the Court whereby the parties have agreed to amicably settle the matter. In accordance with the Consent Agreement, a payment of Rs 17,000 Lakhs shall be made in phased manner upto June 30, 2020. The accounting impact of Rs 17,000 Lakhs on the financial results has been taken and disclosed as an exceptional item. Pursuant to consent agreement order dated March 21, 2018 and August 26, 2019 were kept in abeyance. Now REL has paid the entire consideration to Axis Bank as per terms of consent agreement. There is no dues of REL, RCML and RCMIML to Axis Bank now. The Original application qua RCML, RCMIML and REL is withdrawn by Axis Bank on July 13, 2020.

#### (p) **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.

- (q) 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, U/s 197(9) of the Companies Act, 2013, the Company has sent notices for refund the remuneration of Rs 82.61 Lakhs and Rs 4.36 Lakhs paid to them respectively. They have not refunded the amount till date. The Company has submitted an Complaint/Application with the ROC, Delhi for Adjudication of Penalty under Section 454 of the Companies Act, 2013 in September 2019 to recover the amount. However, no reply has been received from the ROC in the matter till date. The recovery will be accounted on realisation.

- (r) Religare Comtrade Limited ("RCTL"), a subsidiary of the Company filed arbitration application on December 31, 2018 with National Stock Exchange of India Limited ("NSE") against Arch Finance Limited ("AFL") for the refund of money Rs 525 Lakhs alongwith interest @ 11.75%. The NSE arbitration panel passed a well-reasoned award dated April 24, 2019 wherein it upheld RCTL's claim of Rs 525 Lakhs against AFL. However it reduced the rate of interest from 11.75% to 8% p.a. payable from date of deposit till date of payment. The impugned award was later on challenged by AFL and the said appeal was dismissed by NSE Appellate Arbitral Tribunal vide appellate award dated October 4, 2019. Since AFL did file any further challenge, NSE released the award amount along with interest i.e. Rs 670.19 Lakhs (approx.) to the RCTL (Net Amount received in January, 2020 was Rs 658.19 Lakhs (approx.) after adjusting amount of Rs 12 Lakhs which was earlier deposited by AFL into PAN of the RCTL towards TDS obligation)
- (s) Religare Comtrade Limited ("RCTL"), a subsidiary of the Company has filed an application under the Insolvency & Bankruptcy code, 2016 before the Hon'ble National Company Law Tribunal, New Delhi ("NCLT") on October 9, 2018, to initiate insolvency proceedings against the below named Borrowers/Corporate Debtors claiming therein, a total outstanding amount of Rs 2,916.03 Lakhs (Includes interest upto August, 2018). The matters are sub-judice.

Name of the Party	Amount of Claim filed	Next hearing scheduled on
Blue Line Finance Private Limited	435.17	Arguments heard, order reserved by the NCLT on the admission of insolvency petition has been stayed by the Hon'ble Supreme Court vide interim order dated April 5, 2019. No further date has been given by the NCLT
Decent Financial Services Private Limited	42.07	
Best Healthcare Private Limited	2,438.79	
<b>Total</b>	<b>2,916.03</b>	

## 55 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 55 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/-

**RASHMI SALUJA**

Executive Chairperson

**DIN- 01715298**

Sd/-

**NITIN AGGARWAL**

Group - CFO

Place : New Delhi

Date : July 28, 2020

Place : New Delhi

Date : July 28, 2020

#### For and on behalf of the Board of Directors

Sd/-

**SUSHIL CHANDRA TRIPATHI**

Director

**DIN-00941922**

Sd/-

**REENA JAYARA**

Company Secretary

**Membership No. A19122**



**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	72,794.91	93.98	3,712.67
8	Other Equity (Rs in Lakhs)	(21,344.48)	(4,853.84)	5,728.64	(11,384.19)	(6.15)	(14,151.33)
9	Total Assets (Rs in Lakhs)	540,415.97	58,027.90	6,456.60	205,353.16	144.25	7,315.16
10	Total Liabilities (Rs in Lakhs) (Excluding Equity and Other Equity)	535,550.92	44,802.16	527.96	143,942.45	56.42	17,753.83
11	Investments (Rs in Lakhs)	54,136.51	954.66	2,590.36	180,257.32	-	-
12	Total Revenue^ (Rs in Lakhs)	43,278.72	20,707.82	1,525.72	165,392.01	62.07	1,888.72
13	Profit / (Loss) Before Taxation (Rs in Lakhs)	(89,646.76)	(1,939.69)	366.38	6,757.63	(4.94)	(319.99)
14	Provision for Taxation (Rs in Lakhs)	29.46	206.63	148.38	23.67	0.31	-
15	Profit / (Loss) After Taxation (Rs in Lakhs)	(89,676.22)	(2,146.32)	218.00	6,733.96	(5.26)	(319.99)
16	Other Comprehensive Income (Rs in Lakhs)	(181.15)	(211.90)	(4.70)	1,885.66	-	-
17	Total Comprehensive Income (Rs in Lakhs)	(89,857.37)	(2,358.22)	213.30	8,619.62	(5.26)	(319.99)
18	Proposed Dividend (Rs in Lakhs)	-	-	-	-	-	-
19	% of shareholding (Equity) as on last date of financial year	100.00%	100.00%	100.00%	88.95%	99.99%	100.00%



## Part "A" : Subsidiaries\*

1	SI. No.	7	8	9	10	11
2	Name of the Subsidiary	Religare Advisors Limited (formerly known as Religare Wealth Management Limited)*	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.	75.10	N.A.	N.A.
7	Equity Share Capital (Rs in Lakhs)	2,432.00	4.00	-	0.50	3,999.80
8	Other Equity (Rs in Lakhs)	(3,654.43)	(3.36)	(107.94)	(0.45)	16,181.02
9	Total Assets (Rs in Lakhs)	695.73	0.90	64.04	0.05	62,668.13
10	Total Liabilities (Rs in Lakhs) (Excluding Equity and Other Equity)	1,918.16	0.26	171.98	-	42,487.31
11	Investments (Rs in Lakhs)	-	-	-	-	3,202.15
12	Total Revenue^ (Rs in Lakhs)	60.30	-	-	-	10,183.73
13	Profit / (Loss) Before Taxation (Rs in Lakhs)	(40.41)	(0.60)	(2.93)	-	909.09
14	Provision for Taxation (Rs in Lakhs)	-	-	-	-	377.53
15	Profit / (Loss) After Taxation (Rs in Lakhs)	(40.41)	(0.60)	(2.93)	-	531.56
16	Other Comprehensive Income (Rs in Lakhs)	-	-	-	-	(44.43)
17	Total Comprehensive Income (Rs in Lakhs)	(40.41)	(0.60)	(2.93)	-	487.13
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.

^ In case of foreign subsidiaries total income is converted at monthly average exchange rate.

Names of subsidiaries which are yet to commence operations

SI. No. Name of the Company

(1) Religare Insurance Limited

(2) Religare Business Solutions Limited

For and on behalf of the Board of Directors

Sd/-  
**RASHMI SALUJA**  
 Executive Chairperson  
 (DIN- 01715298)

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
 Director  
 (DIN- 00941922)

Sd/-  
**NITIN AGGARWAL**  
 Group - CFO

Sd/-  
**Reena Jayara**  
 Company Secretary  
 Membership No. A19122

Place : New Delhi  
 Date : July 28, 2020



## 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, 2020	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)	22.37	
7	Profit / (Loss) for the year		
	i. Considered in Consolidation (Rs in Lakhs)	(13.14)	
	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/-  
**RASHMI SALUJA**  
 Executive Chairperson  
 DIN- 01715298

Sd/-  
**NITIN AGGARWAL**  
 Group - CFO

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
 Director  
 DIN-00941922

Sd/-  
**REENA JAYARA**  
 Company Secretary  
 Membership No. A19122

Place : New Delhi  
 Date : July 28, 2020

# Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 on Audited Consolidated Financial Results



## Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 on Audited Consolidated Financial Results

(Rs. in Lakhs)

S. No.	Particulars	Audited Figures	Adjusted Figures
		(as reported before adjusting for qualifications)	(audited figures after adjusting for qualifications)
1	Turnover / Total Income	2,39,747.85	2,39,747.85
2	Total Expenditure (Including Exceptional Item)	3,42,746.28	3,42,874.30
3	Net Profit/(Loss) - Total Comprehensive Income	(1,02,413.81)	(1,02,541.83)
4	Non Controlling Interest	(10,357.44)	(10,373.44)
5	Profit attributable to owner	(92,056.37)	(92,168.39)
6	Earnings Per Share (EPS)		
	Basic EPS	(39.55)	(39.60)
	Diluted EPS	(39.62)	(39.67)
7	Total Assets	8,13,017.86	8,12,793.06
8	Total Liabilities	7,93,588.24	7,93,588.24
9	Net Worth / Equity (Excluding Non-Controlling Interest)	10,101.59	9,876.79
10	Any other financial item(s) (as felt appropriate by the management)	N.A.	N.A.

### RELIGARE FINVEST LIMITED

#### II(a) Audit Qualification :

a. Details of Audit Qualification:

- 1) Attention is invited to note no 26 (i) of the statement in relation to 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 Vilas Bank (LVB) against the loans given to promoter group companies in the previous years continued to be under litigation at Hon'ble High Court of Delhi for declaration and recovery. However, during the year ended March 31, 2020, RFL has filed an amendment to its original application stating that appropriations of FDs by LVB was illegal as LVB had colluded and conspired with the old promoters and Ex Directors and two other entities. RFL has also filed a criminal complaint before the Economic Offences wing ( EOW ) , Delhi. As explained, the EOW has also filed its Charge Sheet against senior LVB officials in this matter and Enforcement Directorate has lodged an ECIR on the basis of FIR. Pending disposal of the case, we are unable to comment on the status of recoverability and classification of the reported balance.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Repetitive – Continuing since March'18

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Auditors have not quantified the impact of the Qualified Opinion.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

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 has reserved order on the interim application filed by RFL maintaining status quo order qua the FDs on April 12, 2019.

Thereafter, RFL has filed application for amendment of pleadings on which notice is issued to LVB and LVB has filed reply to the same. Order on Interim Application is reserved by the Hon'ble Court. RFL has also filed a criminal complaint on May 15, 2019 before the Economic Offence Wing (EOW) and an FIR has been registered. EOW has filed its charge sheet before the Ld. CMM, Saket. On March 23, 2020. Also, the Enforcement Directorate



## Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 on Audited Consolidated Financial Results

has lodged an ECIR on the basis of the FIR. As per the Company estimates and understanding, the Company has rightly classified the reported balance under the fixed deposit and amount is fully recoverable.

- (ii) If management is unable to estimate the impact, reasons for the same: Not applicable
- (iii) Auditors' Comments on (i) or (ii) above: The Auditors are of the view that pending disposal of the case, they are unable to comment on the status of recoverability and classification of the reported balance.

### II(b) **Audit Qualification :**

#### a. Details of Audit Qualification:

- I) Attention is invited to note no 13 of the statement in relation to loans given to certain companies appearing in Corporate Loan Book (CLB portfolio) aggregating to Rs 203,670 lakhs as on March 31, 2020 (Rs 203,670 lakhs as on March 31, 2019) [substantially these loans were given up to 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 2 (a) (i) (b) 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 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.

Based on the due diligence report and the replies filed by the borrowers before the NCLT, the Company 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. The Zonal Office of Enforcement Directorate has lodged an enforcement case under the Prevention of Money Laundering Act bearing ECIR no. 5 of 2019 on the basis of said FIR.

- II) Further, RFL has subscribed to Non-Convertible Debentures of a corporate entity of Rs. 20,000.00 lakhs in December 2016 [Impairment if Rs 17,797.55 lakhs considered till March 31, 2020] (Rs 13,004.70 lakhs till March 31, 2019)]. Due to default in making repayment of NCD to the Company, it has filed the cases against the party under Insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Kolkata. The Company had also filed a criminal complaint before the EOW, Delhi.

Considering the pending decision of Hon'ble Supreme Court of India and Hon'ble NCLT Delhi in para 2(a) (2) (I) above and Hon'ble NCLT, Kolkata in para 2(a) (2) (II) above, we are unable to comment on adequacy of provision, any additional financial and legal implications on the accompanying Statement.

#### b. Type of Audit Qualification : Qualified Opinion

#### c. Frequency of qualification: Repetitive - Continuing since March'17

#### d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Auditors have not quantified the impact of the Qualified Opinion

#### e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification:

RFL has an exposure of Rs 203,670 Lacs as at March 31, 2020 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 Rs. 203,670 Lacs as at March 31, 2020 against this portfolio and no further provisioning is required.

Insolvency proceedings have been initiated before the NCLT Delhi and Kolkata against the borrowers forming a part of the Corporate Loan Book. The Company has not made provision of Rs 2,202.45 since NCD's are backed by non disposal undertaking of shares of listed entity

The Company had also filed a criminal complaint before the EOW, Delhi, on which an F.I.R. has been registered and is under investigation. The Zonal Office of Enforcement Directorate has lodged an enforcement case under the Prevention of Money Laundering Act on the basis of said FIR. The EOW arrested five accused persons. EOW and ED have filed charge sheet against the accused persons. However, the investigation is still ongoing and the investigation agencies may file supplementary charge sheet at a later stage.

# Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 on Audited Consolidated Financial Results



- (ii) If management is unable to estimate the impact, reasons for the same: Not applicable
- (iii) Auditors' Comments on (i) or (ii) above: The Auditors are of the view that considering the pending decision of Hon'ble Supreme Court of India and Hon'ble NCLT Delhi in para 1(b)(i) above, Hon'ble NCLT, Kolkata in para 1(b)(ii) above, we are unable to comment on adequacy of provision, any additional financial and legal implications on the accompanying Statement.

## 2. Religare Housing Development Finance Corporation Limited (RHDFC)

### a. Details of audit Qualification

We draw attention to note 39(2) (read with our modified report dated 20<sup>th</sup> May 2019 for the year ended March 31, 2019) of the financial statements in relation to transaction with a trust namely "RARC 059 (RHDFC HL)" (special purpose vehicle) wherein during FY 2018-19 Gross NPA of Rs. 3,038.13 lakhs were sold for a value of Rs. 2,278.60 lakhs & Trust has issued security receipts (SR) in the ratio of 85:15. As informed by Company, based on the legal opinion obtained it was a true sale. Considering RHDFCL has derecognised 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, RHDFCL 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 ended 31<sup>st</sup> March 2019 would have decreased by Rs. 96.78 lakhs.

Had these NPA loan receivables not been derecognized as on 31<sup>st</sup> March 2020, classification of loans into investments would not have changed and profit for the year ended 31<sup>st</sup> March 2020 would have decreased by Rs. 128.02 lakhs.

- (b) Type of Audit Qualification : Qualified Opinion
- (c) Frequency of qualification: Repetitive - Continuing since March'19
- (d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The sale of GNPA to Reliance ARC was concluded within the RBI purview and RHDFC has obtained true sale opinion for concluding the transaction. Accordingly, RHDFC has derecognized the NPA loan receivables and has recognized security receipts as investments in the books of accounts RHDFC shall recognize profit/loss on the Security Receipts based on the evaluation by independent rating agency as stipulated under RBI Regulation. Under INDAS, the security receipts issued by the trust would full-fill the criteria for a financial asset and has been recognized it in its books.  
  
Further, RHDFC had obtained third party opinion, which is also supporting the accounting treatment for derecognition of the loan portfolio and recognition of SRs as Investments as per the applicable provisions of Ind AS particularly Ind AS 109, Financial Statements
- (e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable
  - (i) Management's estimation on the impact of audit qualification: Not applicable
  - (ii) If management is unable to estimate the impact, reasons for the same: Not applicable
  - (iii) Auditors Comment on (i) and (ii) above : Not applicable

### III Signatories:

- **Executive Chairperson - Dr. Rashmi Saluja** Sd/-
- **Audit Committee Chairperson – Vijayalakshmi Rajaram Iyer** Sd/-
- **Group CFO – Nitin Aggarwal** Sd/-
- **Statutory Auditor of the Company**

S S Kothari Mehta & Company, Chartered Accountants

Sd/-  
Naveen Aggarwal  
Partner  
Membership No. 094380

Place :- Delhi  
Date :- 28-07-2020





The background is a solid dark green color. It features several large, semi-transparent triangles in various shades of green, some pointing up and some pointing down. There are also several thin, light-colored lines crisscrossing the background at various angles. In the center, the text 'STANDALONE FINANCIALS' is written in a bold, white, sans-serif font. The text is enclosed within a thin, light green rectangular border that is open on the left and right sides.

# **STANDALONE FINANCIALS**



## TO THE MEMBERS OF RELIGARE ENTERPRISES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### 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, 2020, 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, 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, 2020, the loss and total comprehensive income, changes in equity and its cash flow for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

4. Attention is invited to note no. 47(d) of the standalone financial statement 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 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 standalone financial statements.
5. We draw attention to note no. 2.3 of the standalone financial statement, which states the management's evaluation of COVID-19 impact on the operations of the company.

Our report is not modified in respect of this matters.

#### Key Audit Matters

6. 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>Impairment of investments in Subsidiaries -</b></p> <p>Carrying value (net of impairment) of company's investment in its subsidiaries as on reporting date is Rs 2,05,551.01 lakhs, which is approx. 99% of company's total assets.</p> <p>Company has investment in its subsidiaries, which were valued at fair value as on 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 carrying value of these investments to be at a high risk of significant misstatement or to be subject to a significant level of judgement, except for the determination of impairment in the carrying value of such investments determined based on appropriate methodology followed by the company for the subsidiaries.</p> <p>This involves significant estimates and judgement, due to inherent uncertainty involved in forecasting future cash flows and in selection of appropriate methodology.</p> <p>On account of major investments in material subsidiaries as indicated above in context of total investment of the company, this is considered to be significant to our overall audit strategy and planning.</p>	<p><b>Our audit procedures included:</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>- 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> <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>- Comparing the carrying amount of the investments with the expected value of the business based on market approach, income approach, suitable multiple of stock price to book value of the subsidiary's peer companies, discounted cash flow method, development affecting the projected financials of such subsidiaries as applicable.</li> <li>- Comparing the carrying value of investments with the transactions related to sale/purchase of such investments including any offers, close to reporting date with unrelated parties.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

7. 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

8. 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**

9. 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.

### Report on Other Legal and Regulatory Requirements

- A) 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.
- B) As required by Section 143(3) of the Act, based on our audit we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone 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.
  - 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements.
  - 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 as on 31 Mar 2020 on its financial position in its standalone financial statements. (refer note no. 32 of the standalone financial statements)
  - (ii) The Company has made provision, as required under the applicable law or Indian 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

**Naveen Aggarwal**  
Partner

Membership Number: 094380  
UDIN : 20094380AAAAET4234

Place: New Delhi  
Date: 28<sup>th</sup> July 2020



### 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 property, plant and equipment are physically verified by the management according to designed process to cover all the items once in three years. In our opinion, this frequency is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, no physical verification exercise was due during previous financial year. Accordingly, question of discrepancies does not arise.
  - 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.
- ii. The Company is engaged in the business of rendering services and investment activity, consequently, does not hold any inventory. Accordingly, Clause (ii) of Para 3 of the order is not applicable to the Company.
- iii. According to the information and explanation given to us and on the basis of our examination of the records, the Company has granted a loan to its wholly owned subsidiary company during the year covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
  - a. The terms and conditions of the grant of loan given during the year are, in our opinion, prima facie, not prejudicial to the company's interest.
  - b. Receipt / Repayment of principal amount and Interest have been regular as stipulated in loan agreement.
  - c. There is no amount outstanding as at the year-end with respect to loan given during the year.
- iv. As per the information and explanation given to us and based on Section 186 read with applicable Rules, the requirement of reporting under this clause of the order is not applicable.
- 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, Goods and Services Tax, cess and other material statutory dues as applicable with the appropriate authorities. 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 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	1,74,21,276	AY 2008-09	Income Tax Appellate Tribunal
		4,82,456	AY 2009-10	Income Tax Appellate Tribunal
		32,32,216	AY 2010-11	Income Tax Appellate Tribunal
		3,90,29,230	AY 2011-12	Income Tax Appellate Tribunal
		62,69,634	AY 2011-12	Income Tax Appellate Tribunal
		3,93,00,168	AY 2012-13	Commissioner of Income Tax (Appeals)
		9,18,392	AY 2012-13	Income Tax Appellate Tribunal
		7,61,125	AY 2013-14	Income Tax Appellate Tribunal
		2,45,63,334	AY 2016-17	Commissioner of Income Tax (Appeals)
Service Tax Regulations	Service Tax	9,25,130	FY 2006-07 to FY 2010-11	Custom Excise and Service Tax Appellate Tribunal**
		39,54,567	FY 2011-12	Custom Excise and Service Tax Appellate Tribunal
		51,95,173	FY 2012-13	Custom Excise and Service Tax Appellate Tribunal

\* Amount is net of deposit paid under protest

\*\* Inclusive of Penalty of Rs. 10,58,180

- 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 wholly owned subsidiary which is non-banking financial company as per section 45I of RBI Act 1934. However, company has not taken any loans or borrowings from any bank and government.

Details of borrowing and its default is as follows : -

Name of Lender	Amount of default as at March 31, 2020 (INR in Lakhs)	Period of default
Religare Finvest Limited	18,550.00	Ranging from 553 days to 779 days

However, subsequent to balance sheet date based on the request of the company to the lender i.e. Religare Finvest Limited (RFL), this loan was rescheduled by providing an extension of two years ( i. e on or before April 30, 2022) from date of request letter for repayment of principal and waiver of current and future interest component and all other charges .

- 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). 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 provisions of section 197 of the Act read with schedule V of 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, Company has transacted with the related parties which are in compliance with section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by Ind AS 24.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made allotment of equity shares against warrants as per Section 42 of the Companies Act, 2013. 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

**Naveen Aggarwal**  
Partner

Membership Number: 094380  
UDIN : 20094380AAAAET4234

**Place: New Delhi**  
**Date: 28<sup>th</sup> July 2020**





## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

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

We have audited the internal financial controls with reference to the standalone financial statements of **Religare Enterprises Limited** (“the Company”) as at March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal controls with reference to the standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to the standalone financial statements**

A company’s internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to the standalone financial statements**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material aspect, an adequate internal financial controls with reference to the standalone financial statements and such internal financial control with reference to the standalone financial statements were operating effectively as at 31<sup>st</sup> March, 2020, based on the criteria for internal financial controls with reference to the standalone financial statements established by the company considering the essential components of internal controls stated in 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's Registration Number: 000756N

**Naveen Aggarwal**  
Partner  
Membership Number: 094380  
UDIN : 20094380AAAAET4234

**Place: New Delhi**  
**Date: 28<sup>th</sup> July 2020**



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6	71.13	344.51
Bank Balance other than above	7	5.40	5.40
Loans	8	-	-
Investments	9	206,624.01	211,209.41
Other Financial Assets	10	1,548.86	2,343.02
<b>Non-financial Assets</b>			
Current Tax Assets (Net)	11	5,203.40	5,472.11
Deferred tax Assets (Net)	12	171.59	173.56
Property, Plant and Equipment	13	228.48	108.64
Other Intangible Assets	14	9.57	39.04
Other Non-Financial Assets	15	1,243.99	1,503.01
<b>Total Assets</b>		<b>215,106.43</b>	<b>221,198.70</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		1,771.74	1,003.35
Borrowings (Other than Debt Securities)	16	33,301.81	38,058.74
Other Financial Liabilities	17	28,673.82	16,029.14
<b>Non-Financial Liabilities</b>			
Provisions	18	136.89	68.85
Other Non-Financial Liabilities	19	163.26	123.33
<b>EQUITY</b>			
Share Capital	20	25,812.82	21,694.27
Other Equity	21	125,246.09	144,221.02
<b>Total Liabilities and Equity</b>		<b>215,106.43</b>	<b>221,198.70</b>

The accompanying notes are an integral part of the Financial Statements.

Overview &amp; Significant Accounting Policies

1-5

**This is the Balance sheet referred to in our report of even date****For S S Kothari Mehta & Company****For and on behalf of the Board of Directors**

Firm Registration No. 000756N

Chartered Accountants

Sd/-

**NAVEEN AGGARWAL**

Partner

Membership No. 094380

Sd/-

**RASHMI SALUJA**

Executive Chairperson

DIN- 01715298

Sd/-

**NITIN AGGARWAL**

Group - CFO

Sd/-

**SUSHIL CHANDRA TRIPATHI**

Director

DIN-00941922

Sd/-

**REENA JAYARA**

Company Secretary

Membership No. A19122

Place: New Delhi

Date : July 28, 2020



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

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from Operations</b>			
Interest Income	22	251.18	358.69
Others	23	21.34	13.53
<b>Total Revenue from operations (I)</b>		<b>272.52</b>	<b>372.22</b>
Other Income (II)	24	5,786.42	3,144.35
<b>Total Income (III)=(I+II)</b>		<b>6,058.94</b>	<b>3,516.57</b>
<b>Expenses</b>			
Finance Costs	25	603.06	4,470.22
Net loss on Fair Value changes	26	147.60	6.37
Impairment on Financial Instruments	27	12,036.73	9,934.24
Employee Benefits Expenses	28	1,485.10	1,279.83
Depreciation, Amortization and Impairment	29	63.47	85.42
Expense for Capital Commitment/Settlement	30 a	894.85	-
<b>Other Expenses</b>	31	<b>4,844.46</b>	<b>2,351.71</b>
Total Expenses (IV)		<b>20,075.27</b>	<b>18,127.79</b>
<b>Profit/(Loss) Before Exceptional items and Tax (V)=(III-IV)</b>		<b>(14,016.33)</b>	<b>(14,611.22)</b>
Exceptional items (VI)	30 b	17,000.00	-
<b>Profit/(Loss) Before Tax (VII)=(V -VI )</b>		<b>(31,016.33)</b>	<b>(14,611.22)</b>
<b>Tax Expense: (VIII)</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>Profit/(Loss) for the year (IX)=(VII-VIII)</b>		<b>(31,016.33)</b>	<b>(14,611.22)</b>
<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		(51.50)	16.19
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other Comprehensive Income (X)</b>		<b>(51.50)</b>	<b>16.19</b>
<b>Total Comprehensive Income for the period (Comprising Profit(Loss) and other Comprehensive Income for the period)(IX+X)</b>		<b>(31,067.83)</b>	<b>(14,595.03)</b>
<b>Earning Per Share</b>			
a) Basic EPS (Rs.)		(13.16)	(6.93)
b) Diluted EPS (Rs.)		(13.16)	(6.93)

The accompanying notes are an integral part of the Financial Statements.

Overview & Significant Accounting Policies

1-5

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/-

**RASHMI SALUJA**

Executive Chairperson

DIN- 01715298

Sd/-

**NITIN AGGARWAL**

Group - CFO

Sd/-

**SUSHIL CHANDRA TRIPATHI**

Director

DIN-00941922

Sd/-

**REENA JAYARA**

Company Secretary

Membership No. A19122

Place: New Delhi

Date : July 28, 2020

# Statement of Changes in Equity

## For the year ended March 31, 2020



### Equity Share Capital

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	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>As at March 31, 2019</b>	17,845.52	3,848.75	21,694.27
<b>As at March 31, 2020</b>	21,694.27	4,118.55	25,812.82

### Other Equity

Particulars	Share Warrant	Reserves and Surplus								Other Comprehensive Income	Total
		Statutory Reserves	Capital Reserve		Securities Premium Reserve	Capital Redemption Reserve	General Reserve	ESOP Reserve	Retained Earnings		
			Reserve on account Scheme of Arrangement	Reserve on Forfeiture of Share warrant							
<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
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
Profit/ (Loss) for the Year	-	-	-	-	-	-	-	-	(31,016.33)	-	(31,016.33)
Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	-	-	-	-	-	-	-	-	-	(51.50)	(51.50)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-	(31,016.33)	(51.50)	(31,067.83)
ESOP granted by subsidiary company to employees of the Company	-	-	-	-	-	-	-	-	3.97	-	3.97
ESOP reserve created during the year	-	-	-	-	-	-	-	52.47	-	-	52.47
Any other change (Securities Premium increase due to conversion of Share warrant into Equity Share)	-	-	-	-	13,066.08	-	-	-	-	-	13,066.08
Share Warrants Money utilised on allotment	(5,384.99)	-	-	-	4,355.36	-	-	-	-	-	(1,029.63)
Unutilised amount transferred to Capital Reserve	(4,161.12)	-	-	4,161.12	-	-	-	-	-	-	-
<b>Balance at March 31, 2020</b>	-	9,712.63	6,525.65	4,161.12	386,077.90	123.14	2,654.14	52.47	(284,007.90)	(53.06)	125,246.09



# Statement of Changes in Equity

## For the year ended March 31, 2020

### NOTE

- 1. 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.
- 2. Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible 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.
- 3. 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.
- 4. Retained Earnings :** This Reserve represents the cumulative profits of the Company . This Reserve can be utilised in accordance with the provisions of Companies Act, 2013.
- 5. 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 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 111,497,714 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.
- 6. Statutory Reserve:** The reserve was created in accordance to Section 45 IC of RBI Act , 1934.
- 7. Capital reserve**
  - (i) 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 Rs. 6,525.65 Lakhs has been credited to Capital Reserve.
  - (ii) Capital Reserve on Forfeiture of unutilised Share warrant:** The warrant holders could not exercise their preference right for conversion of convertible share warrant into equity share . Hence , the unutilised advance money of share warrant received has been forfeited . The unutilised amount of Rs. 4,161.12 Lakhs has been credited to Capital Reserve.
- 8. ESOP Reserve:** The ESOP reserve has been created in accordance with the approved Employee Stock Option Scheme.

The accompanying notes are an integral part of the Financial Statements.

Overview & Significant Accounting Policies

1 - 5

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/-  
**RASHMI SALUJA**  
Executive Chairperson  
DIN- 01715298

Sd/-  
**NITIN AGGARWAL**  
Group - CFO

**For and on behalf of the Board of Directors**

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
Director  
DIN-00941922

Sd/-  
**REENA JAYARA**  
Company Secretary  
Membership No. A19122

Place: New Delhi

Date : July 28, 2020



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash Flow From Operating Activities:</b>		
Profit / (Loss) Before Tax	(31,016.33)	(14,611.22)
<b>Adjustments for:</b>		
Loss/(profit) on Sale of Property, Plant and Equipment (Net)	(15.81)	(4.66)
Interest on Income Tax refund	(145.58)	(538.17)
Interest on Fixed Deposit	(0.37)	(2.58)
Amortisation of Discount on issue of Commercial Paper	-	106.09
Depreciation and Amortisation Expense	63.47	85.42
Interest Cost on Debentures/ Term Loan	243.24	3,573.92
Provision for Gratuity and Leave Encashment	97.56	15.36
Loss/ (Profit) on Sale of Non Current Investments	(14.92)	(89.50)
Loss/ (Profit) on Sale of Current Investments	(21.34)	(13.53)
Provision for Non Performing Assets	-	44.01
Provision for Security Deposit	363.57	-
Liability Written back	(3,988.48)	-
Investment written off (AIF/VCF)	31.62	-
Share Based Payments	15.00	-
Payment for Gratuity and Leave Encashment	(27.55)	(23.96)
GST Input Credit excess booked - expense off	333.80	-
Interest expense as per EIR on liability portion of preference shares	359.82	577.55
Loss on Fair Value changes Through PL	12,036.73	9,934.24
Expense for capital commitment/settlement	17,894.85	-
Expense towards Contingency	673.99	-
(Gain) / Loss on Financial Assets Measured at Fair Value Through PL (Net)	147.60	6.37
Re-measurement gains / (losses) on defined benefit plans	(51.50)	16.19
ECL on Support Services	(132.65)	139.37
<b>Operating Profit/Loss before Working Capital changes</b>	<b>(3,153.28)</b>	<b>(785.10)</b>
<b>Adjustments for changes in Working Capital :</b>		
- (Increase)/Decrease in Financial	633.50	1,553.86
- (Increase)/Decrease in Non-Financial Assets	260.36	304.00
- Increase/ (Decrease) in Trade Payables	768.39	(96.07)
- Increase/ (Decrease) in Financial Liabilities	412.20	(4,141.44)
- Increase/ (Decrease) in Non-Financial Liabilities	39.92	75.12
<b>Cash Generated From / (Used in) from Operations</b>	<b>(1,038.91)</b>	<b>(3,089.64)</b>
- Taxes (Paid) / Refunds (Net)	330.74	538.17
<b>Net Cash Generated From / (Used) in Operating Activities</b>	<b>(708.17)</b>	<b>(2,551.46)</b>
<b>Cash Flow From Investing Activities:</b>		
<b>Adjustments for changes in :</b>		
Purchase of Property, Plant and Equipment	(155.31)	(8.65)
Proceeds from Sale of Property, Plant and Equipment	16.92	13.35



# Cash Flows Statement for the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Proceeds from Sale of Non Current / Current Investments in:</b>		
- Subsidiary companies (Equity/Debentures/Commercial Papers (CPs/Preference Shares)	-	(500.00)
- Others (including units of mutual funds)	145.97	14,144.24
<b>Investments in Non Current/ Current Investments of:</b>		
- Subsidiary Companies (Including Equity share/Debentures/ Preference Shares/CPs)	(3,008.58)	(8,499.84)
- Others (including units of mutual funds)	-	(13,825.00)
ICD - Given to subsidiaries	(5,600.00)	-
ICD - Receive back from subsidiaries	5,600.00	-
Interest on Fixed deposits	0.37	2.58
Investment in Subsidiary	(4,705.15)	-
Payment for capital commitment/settlement	(2,594.85)	-
Changes in bank balances other than cash and cash equivalent	-	47.01
<b>Net Cash Generated From/ (used in) Investing Activities</b>	<b>(10,300.64)</b>	<b>(8,626.31)</b>
<b>Cash Flow From Financing Activities:</b>		
Interest Paid	(302.84)	(744.10)
Proceed from Issue of Share Capital	-	20,128.96
Proceeds of Share Warrant	16,155.00	9,546.11
Repayment from Short Term Borrowings - Inter Corporate Loan	(5,116.73)	(19,374.45)
Proceeds of Short Term Borrowings -Inter Corporate Loans	-	5,000.00
Repayment of Commercial Paper	-	(3,072.55)
<b>Net Cash Generated From/ (Used In) Financing Activities</b>	<b>10,735.43</b>	<b>11,483.97</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents	(273.38)	306.20
Cash and Cash Equivalents at the Beginning of the Year	344.51	38.31
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>71.13</b>	<b>344.51</b>
<b>Cash and Cash Equivalents at the end of the Year comprises of</b>		
Cash in hand	0.46	0.32
Cheques/Stamps in hand	1.57	1.57
Balances with Scheduled Banks in Current Accounts	69.10	342.62
<b>TOTAL</b>	<b>71.13</b>	<b>344.51</b>

The accompanying notes are an integral part of the Financial Statements.

This is the statement of Cash Flows 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/-  
**RASHMI SALUJA**  
Executive Chairperson  
DIN- 01715298

Sd/-  
**NITIN AGGARWAL**  
Group - CFO

For and on behalf of the Board of Directors

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
Director  
DIN-00941922

Sd/-  
**REENA JAYARA**  
Company Secretary  
Membership No. A19122

Place: New Delhi

Date : July 28, 2020





## STANDALONE ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2020

### 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 2nd Floor, Rajlok Building, 24, Nehru Place, New Delhi -110019 to First Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi –110001 w.e.f. May 13, 2020,

Religare 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 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).

The 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 financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Board of directors on July 28, 2020.

#### 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 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

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, 2020.



## 2.3 COVID-19 Impact

On March 11, 2020, the World Health Organisation declared the novel coronavirus (COVID-19) as a pandemic. This pandemic disrupted the social, economic and financial structures of the entire world. In India, the central government declared a national lockdown, restricting the movement of the entire population of the country as a preventive measure against the spread of COVID-19 during which only defined essential services were operating with limited capacity. There remains a high level of uncertainty about the duration of the lockdown and the time required for life and business operations to normalize. The extent to which the COVID-19 pandemic will impact the Company's business and financial results including the expected credit loss on financial assets is dependent on future developments, which are highly uncertain.

The Company took various steps to ensure safety and health of its employees which include:

- a) The Company adopted 'Work from Home' in offices across India, thereby leveraging the digital productivity tools.
- b) From May 13, 2020; in accordance with the relaxations announced by various States and Union Territories, Company has started opening offices in gradual manner, keeping the safety of its employees and esteemed customers in mind. Through rostering, Company is ensuring that office strength does not go beyond the stipulations of the local administrative guidelines.
- c) The Company has ensured heightened sanitization program across all offices including microbial fumigation before opening any office. All necessary support in terms of safety equipment/tools are provided to employees attending the office.
- d) The Company shall continue to monitor government directives and act accordingly.

Based on the information available till date, the Company has used the principles of prudence in applying judgments, estimates and possible forward-looking scenario to assess and provide for the impact of pandemic on the financial statements specifically while assessing the expected credit loss on financial assets by applying management judgments, approved by its Board of Directors.

The Company in its investment portfolio made various investments in the equity & preference funds of subsidiary & Joint ventures companies besides other investments. Given the dynamic nature of the pandemic situation, the carrying valuation of these investments as at March 31, 2020, may be affected by the severity and duration of the outbreak. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments.

In addition to the above, the Company has evaluated the recoverability and carrying value of its non – financial assets including assets on property plant and equipment, investment properties, right of use assets and other assets as 31st March 2020. Based on its review, consideration of internal and external information up to the date of approval of these financial results, current indicators of future economic conditions relevant to the Company's operations and other market factors and information, management has concluded that no adjustments are required in the aforesaid assets at this time.

Employees were facilitated to Work from Home (WFH) and enabled through secured remote access to ensure business continuity with minimal disruption. However, the full extent of impact of the COVID-19 pandemic on the operations, and financial metrics will depend on government and regulatory guidelines and future developments which are uncertain and incapable of estimation at this time. Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. The Management and Directors are actively engaged and will continue to monitor the future developments. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

## 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.

The details of these conditions are outlined below.

##### 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.

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 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 2019-20 and 2018-19.

### 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 POCI.



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 Expected Credit Loss (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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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 categorization (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 exchange 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 Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.



Policy applicable from April 01, 2019

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

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.

There are arrangement wherein the common expenses for usage of assets which are not identified as per application guidance given in Appendix B of IND AS 116, accordingly IND AS 116 is not applicable.

### 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.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand alone prices. However, for leases of property, the Company has elected not to separate non – lease components and account for the lease and non – lease components as a single lease component.

The Company recognizes a right – of – use asset and a lease liability at the lease commencement date. The right- of – use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right- of – use asset is subsequently depreciated using the straight – line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right – of – use asset reflects that the Company will exercise a purchase option. In that case the right – of – use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right – of – use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payment included in the measurement of lease liability comprise the following:

- Fixed payments, including in – substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonable certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when



there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in – substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right – of – use asset, or is recorded in profit or loss if the carrying amount of the right – of – use asset has been reduced to zero.

The Company presents right – of – use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities under the head non – current 'borrowings'.

Short – term leases and leases of low value assets

The Company has elected not to recognize right – of – use assets and lease liabilities for leases of low – value assets and short – term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight – line basis over the lease term.

### 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 ASs.

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: Recognize 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.



### 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) as per Schedule -III	Useful life of Asset (In Years) as estimated by the Company
Office equipment's	5 Years	5 Years
Server and Networks	6 Years	6 Years
Laptop and Desktop	3 Years	3 Years
Electrical Installation & Equipment's	10 Years	5 - 10 Years
Furniture & Fixtures	10 Years	5 - 10 Years
Car	8 Years	6 - 8 Years
Bike	10 Years	8 - 10 Years

Individual assets costing up to Rs. 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 amortisation 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.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense 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 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 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.

## 4 TAXES

### 4.1 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.

### 4.2 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.

#### **4.3 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

#### **4.4 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.

#### **4.5 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.

## 5 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.

#### 5.1 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.



## 5.2 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. Judgments 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 32.

## 5.3 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 behavioral 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 behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

## 5.4 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgment, 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 judgments 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.

## 5.5 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 judgment is required to conclude on these estimates.

**6. Cash and Cash Equivalents**

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	0.46	0.32
Balances with banks		
On Current Accounts	69.10	342.62
Stamp Papers in hand	1.57	1.57
<b>Total cash and cash equivalents</b>	<b>71.13</b>	<b>344.51</b>

**7. Bank balances other than Cash and cash equivalent**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
In Fixed Deposit with maturity for more than 3 months **	5.40	5.40
<b>Total</b>	<b>5.40</b>	<b>5.40</b>

Fixed Deposit and other balances with banks earns interest at fixed rate.

\*\* Fixed Deposit balances are the FD's with statutory authorities Rs. 4.80 Lakhs and Balance of Rs. 0.60 Lakhs for Other Admin Purpose.

**8. Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>At Amortised Cost</b>		
Loans to related parties	225.00	225.00
Loans to others	7,361.71	7,361.71
<b>Total (A) - Gross</b>	<b>7,586.71</b>	<b>7,586.71</b>
Less: Impairment loss allowance	7,586.71	7,586.71
<b>Total (A) - Net</b>	<b>-</b>	<b>-</b>
<b>Unsecured</b>	<b>7,586.71</b>	<b>7,586.71</b>
<b>Total (B) - Gross</b>	<b>7,586.71</b>	<b>7,586.71</b>
Less: Impairment loss allowance	7,586.71	7,586.71
<b>Total (B) - Net</b>	<b>-</b>	<b>-</b>
<b>Loans in India - Others</b>	<b>7,586.71</b>	<b>7,586.71</b>
<b>Total (C) - Gross</b>	<b>7,586.71</b>	<b>7,586.71</b>
Less: Impairment loss allowance	7,586.71	7,586.71
<b>Total (C) - Net</b>	<b>-</b>	<b>-</b>



- 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 Rs. 8,139.66 Lakhs (including interest due). 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 Rs. lakhs, unless otherwise stated)

Internal Rating Grade	As at March 31, 2020			
	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	As at 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>



(Amount in Rs. lakhs, unless otherwise stated)

## 9. Investments

Investments	As at March 31, 2020	As at March 31, 2019
<b>(i) Investments measured at Fair Value through Profit or Loss</b>		
(A) Mutual funds/Venture Capital funds/Alternative Investment funds	723.00	1,026.84
<b>(ii) Investments measured at Cost</b>		
Investment in Equity instruments of Subsidiaries (fully paid up)	239,425.94	231,670.77
Investment in Equity instruments of others (fully paid up)	2,823.33	2,823.33
Investment in Equity instruments of Joint Ventures (fully paid up)	350.00	350.00
Investment in Preference instruments of others (fully paid up)	40.95	40.95
<b>(iii) Investment in Jointly Control entity</b>		
Investment in Equity instruments of Subsidiary (partly paid up)(refer note 47(e) and Note 32.1)	-	-
Investment in Preference instruments of Subsidiary (fully paid up) (refer note 47(e) )	-	-
<b>Total - Gross (A)</b>	<b>243,363.22</b>	235,911.89
(i) Investments outside India	-	-
(ii) Investments in India	243,363.22	235,911.89
<b>Total (B)</b>	<b>243,363.22</b>	235,911.89
Total (A) to tally with (B)		
Less: Allowance for Impairment loss *	2,864.28	2,864.28
Less Impairment losses on Investment in subsidiaries #	33,874.93	21,838.20
<b>Total - Net D= (A)-(C)</b>	<b>206,624.01</b>	211,209.41

\* Allowance for Impairment loss in value of its long term investments has been made in accounts during FY 2016-17.

# 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 Rs. 11,903.96 lakhs during FY 2017-18 and Rs. 9,934.24 lakhs during FY 2018-19 and Rs. 12,036.73 lakhs during FY 2019-20 through Profit and Loss account.

## (A) Current Investments

Particulars		As at March 31, 2020		As at March 31, 2019	
		No of Share	Amount	No of Share	Amount
1	Investment in Venture Capital Fund				
	- India Build Out- Fund- I	10,594	93.08	10,594	263.75
	-India Build Out -Fund- I -Class B units	-	1.70	-	1.70
	-Milestone Army Trust-Class B units	-	0.04	-	0.04
	<b>(A)</b>	-	<b>94.82</b>	-	265.49



Notes Forming Part of the Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

(B) Non Current Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Share	Amount	No of Share	Amount
1 Investment in Equity Shares of subsidiaries				
- Religare Finvest Limited <sup>1</sup>	262,095,287	66,451.59	224,454,083	61,746.44
- Religare Health Insurance Company Limited	647,516,629	137,820.24	617,392,749	134,807.86
- Religare Broking Limited	180,795,817	34,900.00	180,795,817	34,900.00
- Religare Insurance Limited	-	-	-	-
- Religare Comtrade Limited	27,126,712	212.67	27,126,712	212.67
- Religare Credit Advisors Pvt Ltd	9,398,262	-	9,398,262	-
- Religare Broking Limited (Corporate Guarantee given) <sup>2</sup>	-	-	-	3.80
- Religare Finvest Limited- ESOP <sup>3</sup>	-	37.03	-	-
- Religare Housing Development Finance Corporation Ltd ESOP <sup>3</sup>	-	2.76	-	-
- Religare Broking Limited- ESOP <sup>3</sup>	-	1.64	-	-
- Religare Global Asset Management Inc. (U.S.A.)	10	-	10	-
Less: Allowance for Impairment loss	-	-	-	-
Less Impairment losses on Investment in subsidiaries		(33,874.93)		(21,838.20)
		205,551.01		209,832.57
2 Investment in Equity Shares of Joint venture				
- IBOF Investment Management Private Limited	3,499,999	350.00	3,499,999	350.00
		350.00		350.00
3 Investment in Equity Shares of Subsidiary (Partly Paid up)				
-Religare Capital Markets Limited	81,550,000	-	81,550,000	-
Less: Allowance for Impairment loss		-		-
		-		-
4 Investment in Equity Shares of other body corporate				
- Netambit Infosource & E-Services Private Limited	67,536	2,823.33	67,536	2,823.33
Less: Allowance for Impairment loss		(2,823.33)		(2,823.33)
		-		-
5 Investment in Preference Shares of Subsidiary				
-Religare Capital Markets Limited				
0.002 % Cumulative Non-Convertible	170,000,000	-	170,000,000	-
0.003 % Cumulative Non-Convertible	5,000,000	-	5,000,000	-
0.004 % Cumulative Non-Convertible	10,000,000	-	10,000,000	-
Less: Allowance for Impairment loss		-		-





Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Share	Amount	No of Share	Amount
6 Investments in Preference Shares of Others				
- Netambit Infosource & E-Services Private Limited				
Compulsory Convertible Cumulative Preferred Participatory Series E Preference Shares Tranche -1 & 2 -Coupon Rate 0.01%	40,952	40.95	40,952	40.95
Less: Allowance for Impairment loss		(40.95)		(40.95)
		-		-
7 Investment in Alternative Investment Fund				
- Religare Credit Investments Trust		1.27		51.93
- Cerestra Infrastructure Trust		495.93		481.88
- India Bulls Real Estate Fund Category II AIF		130.98		227.54
		628.18		761.35
(B)		206,529.19		210,943.93
(A) + (B)		206,624.01		211,209.42

**Note**

1. Refer Note 32.3
2. At the time of transition date i.e April 01, 2017, Notional Income recognised @ 0.25% on Corporate Guarantee given to Religare Broking Limited which has been revoked in current year.
3. The Company has granted ESOPs to employees of subsidiary companies during the year under Religare Employee Stock Option Scheme 2019.

**10. Other Financial assets****(Amount in Rs. lakhs, unless otherwise stated)**

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	492.61	786.92
Less: ECL	(489.61)	(126.03)
Interest accrued but not due on inter corporate loans (from related parties)	15.62	15.62
Less: ECL	(15.62)	(15.62)
Interest accrued but not due on inter corporate loans (from non related parties)	34.57	34.57
Less: ECL	(34.57)	(34.57)
Interest accrued on Fixed Deposit	0.39	0.29
Recoverable for Support services*	436.55	763.51
Less: ECL	(421.30)	(610.41)
Staff Advances	30.23	28.75
Advance given to employees of group company	1,499.99	1,499.99
<b>Total</b>	<b>1,548.86</b>	<b>2,343.02</b>



(Amount in Rs. lakhs, unless otherwise stated)

<b>*Recoverable for Support services</b>	<b>As at March 31, 2020</b>	<b>As at March 31,2019</b>
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	<b>436.55</b>	763.51
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
	<b>436.55</b>	763.51
ECL against Recoverable	<b>(421.30)</b>	(610.41)
<b>Total</b>	<b>15.25</b>	153.10
<b>Further classified as :</b>		
<b>Receivable from related parties</b>	<b>384.37</b>	690.37
<b>Receivable from Others</b>	<b>52.18</b>	73.14
<b>Total</b>	<b>436.55</b>	763.51

#### 11. Current Tax Asset (Net)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31,2019</b>
Advance income tax (net of provisions of March 31,2020 : Rs. 27,076.44 Lakhs, March 31,2019: Rs. 27,350.97 Lakhs)	<b>5,203.40</b>	5,472.11
<b>Total</b>	<b>5,203.40</b>	5,472.11

#### 12. Deferred Tax Assets (Net)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31,2019</b>
On provision for employee benefits	-	1.97
MAT Credit	<b>171.59</b>	171.59
<b>Total</b>	<b>171.59</b>	173.56



(Amount in Rs. lakhs, unless otherwise stated)

**13. Property, Plant and Equipment's**  
**For the year ended March 31, 2020**

Particulars	Gross block			Depreciation			Net block		
	As at March 31, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2019	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2019
Land	24.71	-	-	24.71	-	-	-	24.71	24.71
Computer systems and peripherals	22.73	2.33	6.47	18.59	12.08	5.25	6.16	7.41	10.65
Vehicles	123.31	152.87	6.30	269.88	58.77	24.76	6.46	192.81	64.54
Leasehold improvement	4.71	-	4.71	-	4.71	-	4.71	-	-
Furniture and Fixture	11.42	-	-	11.42	9.58	0.65	(0.30)	0.89	1.84
Office Equipment	16.64	0.11	1.11	15.64	9.74	3.34	0.09	2.66	6.90
<b>Total</b>	<b>203.52</b>	<b>155.31</b>	<b>18.59</b>	<b>340.24</b>	<b>94.88</b>	<b>34.00</b>	<b>17.12</b>	<b>228.48</b>	<b>108.65</b>

**For the year ended March 31, 2019**

Particulars	Gross block			Depreciation			Net block		
	As at March 31, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	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	6.86	5.22	-	10.65	10.75
Vehicles	123.31	-	-	123.31	33.87	24.91	-	64.54	89.45
Leasehold improvement	4.71	-	-	4.71	4.71	-	-	-	-
Furniture and Fixture	14.39	-	2.97	11.42	6.00	3.57	-	1.84	8.39
Office Equipment	14.26	3.23	0.85	16.64	4.92	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>56.36</b>	<b>38.51</b>	<b>-</b>	<b>108.65</b>	<b>142.64</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.



14. Intangible assets  
(Amount in Rs. lakhs, unless otherwise stated)

For the year ended March 31, 2020

Particulars	Gross block			Amortisation			Net block	
	As at March 31, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2020	For the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2019
Computer Software	229.66	-	-	229.66	29.47	-	220.09	39.04
<b>Total</b>	<b>229.66</b>	<b>-</b>	<b>-</b>	<b>229.66</b>	<b>29.47</b>	<b>-</b>	<b>220.09</b>	<b>39.04</b>

For the year ended March 31, 2019

Particulars	Gross block			Amortisation			Net block	
	As at March 31, 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
Computer Software	229.66	-	-	229.66	-	-	190.62	228.73
<b>Total</b>	<b>229.66</b>	<b>-</b>	<b>-</b>	<b>229.66</b>	<b>-</b>	<b>-</b>	<b>190.62</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.



## 15. Other Non Financial Assets

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with government authorities	652.90	944.55
Prepaid expenses	70.85	22.44
Deposits paid under protest	129.67	119.67
Advances to related parties (for services)	1,326.50	1,326.50
Less: ECL	(1,326.50)	(1,326.50)
Advances to others (for services)	72.04	98.27
Less: ECL	(47.22)	(47.67)
Art works	1.78	1.78
Assets Acquired in satisfaction of Receivables**	363.97	363.97
<b>Total</b>	<b>1,243.99</b>	<b>1,503.01</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. As per last available valuation report the Net Realizable Value of asset is Rs. 400.06 Lakhs.

## 16. Borrowings (Other than Debt Securities)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Borrowings measured at Amortised Cost</b>		
<b>Unsecured</b>		
(a) Loans from related parties#	25,455.53	28,046.93
(b) Loans repayable on demand		
(i) from other parties	25.33	2,550.67
(c) Liability portion of redeemable preference shares*	7,820.95	7,461.14
<b>Total (A)</b>	<b>33,301.81</b>	<b>38,058.74</b>
Borrowings in India	33,301.81	38,058.74
Borrowings outside India	-	-
<b>Total (B) to tally with (A)</b>	<b>33,301.81</b>	<b>38,058.74</b>

## Terms of Repayment of Inter Corporates Loans

Particulars	Rate of Interest	Rate of Interest
Related Parties	9.5% to 13.5%	9.5% to 18.75%
Non Related Parties	9%	9% to 18%

# Inter Corporate Loan of Rs. 18,550 Lakhs borrowed from subsidiary Religare Finvest Limited (RFL) in FY 2017-18. During the current financial year reschedulement of the loan signed with RFL. As per the letter of reschedulement RFL has granted:



# Notes Forming Part of the Financial Statements

## For the year ended March 31, 2020

- i) Extension of 2 years has been provided from the date of letter to repay the principal amount in one or more bullet payments depending upon the liquidity and financial position of the Company.
- ii) Waive of current and future interest component and other financial charges that may have accrued or may accrue in future on these loan.

# Inter corporate Loan of Rs. 6,905.53 Lakhs borrowed from subsidiary Religare Comtrade Limited (RCTL) in previous years . During the current financial year RCTL agreed to waive of current and future interest component and other financial charges that may have accrued or may accrue in future on these loan.

\*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 Effective Interest Rate (EIR) based on the IRR calculated on the yield thereon.

### (a) 13.66% Cumulative Redeemable Preference Share

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 shareholders, preference dividend on cumulative basis at the rate not exceeding 13.66% per financial year. The aggregate shares outstanding as at the year end are 1,500,000 ( Previous year 1,500,000) at Rs. 100 (including premium of Rs. 90 per share).

The above shares were redeemable at an amount of Rs. 4,190.28 lakhs (including premium not exceeding Rs. 269.36 per share) on October 31, 2018. (refer Note 47(d))

### (b) 0.01% Non Convertible Non Cumulative redeemable preference share

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. The carrying value of preference share as on March 31,2020 is Rs. 3,630.67 lakhs (Previous year Rs. 3,270.86 lakhs)

## 17. Other Financial liabilities

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31,2019
Interest accrued and due	6.81	3,794.87
Interest accrued but not due	12.46	245.52
Security Deposit (related parties)	1,802.48	1,802.48
Other Payables <sup>1</sup>	172.43	1,054.63
Liability towards letter of comfort <sup>2</sup>	10,688.67	9,119.00
Liability towards Capital Commitment/settlement <sup>3</sup>	15,300.00	-
Liability towards contingency <sup>4</sup>	673.99	-
Margin for vehicle	16.98	12.64
<b>Total</b>	<b>28,673.82</b>	<b>16,029.14</b>

1. Includes amount of Rs. 157.34 lakhs ( previous year Rs. 1,041 Lakhs) payable to Religare Broking Limited on account of transfer under scheme of arrangement.

2 (a) The Company has given a letter of comfort dated May 15, 2020 to Religare Comtrade Limited ("RCTL"), a wholly owned subsidiary of the Company superceding the earlier letter of comfort issued in FY 2017-18 to provide financial support to RCTL for repayment of all its outstanding dues including interest component thereon relating to ICDs and NCDs issued by RCTL. As per IND AS 109 , the Financial liability of Rs. 8,869 Lakhs has been booked in FY 2017-18 and Rs. 1,569.67 Lakhs in Financial Year 2019-20 against negative networth of RCTL.



- 2 (b) The Company has given a letter of comfort to Religare Advisors Ltd, a wholly owned subsidiary of the Company, to provide financial support of Rs. 250 Lakhs to meet business requirements. As per IND AS 109, financial liability of Rs. 250 Lakhs has been booked in FY 2017-18 against the said letter of comfort.
3. The Company has entered into a consent agreement dated October 1, 2019 with Axis Bank to settle a legal case against an aggregate payment of Rs 17,000 Lakhs. The Company has paid Rs 1,700 Lakhs during the year and balance of Rs. 15,300 lakhs has been paid in June'20 (Refer Note 32.5) .
4. Refer note no 47 (d)

(Amount in Rs. lakhs, unless otherwise stated)

#### 18. Provisions

Particulars	As at March 31, 2020	As at 31 March 2019
Provision for employee benefits (Refer Note no. 38)		
Provision for Gratuity	67.13	-
Provision for Leave Encashment	69.76	68.85
<b>Total</b>	<b>136.89</b>	<b>68.85</b>

#### 19. Other Non Financial liabilities

Particulars	As at March 31, 2020	As at 31 March 2019
Statutory due payable	163.26	123.33
<b>Total</b>	<b>163.26</b>	<b>123.33</b>

#### 20. Share capital

The Company has only one class of equity share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

Particulars	As at March 31, 2020	As at 31 March 2019
<b>Authorized Equity Share Capital</b>		-
654,450,000 Equity Shares of Rs. 10 each	65,445.00	65,445.00
<b>Total</b>	<b>65,445.00</b>	<b>65,445.00</b>
<b>Issued, subscribed and paid up</b>		-
March 31,2020: 258,128,152 (March 31,2019: 216,942,733) equity shares of Rs. 10 each fully paid	25,812.82	21,694.27
<b>Total</b>	<b>25,812.82</b>	<b>21,694.27</b>



Notes Forming Part of the Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

20.1(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	216,942,733	21,694.27	178,455,248	17,845.52
Add: Issued during the year	41,185,419	4,118.55	38,487,485	3,848.75
Outstanding at the end of the year	258,128,152	25,812.82	216,942,733	21,694.27

20.1(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par 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 by the Board of Directors if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.

20.1(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, 2020		As at March 31, 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>(a). Equity Shares</b>				
Puran Associates Private Limited	18,164,432	7.04	-	-
Resilient India Growth Fund	17,638,579	6.83	17,638,579	8.13
Win Sure Trade Invest Private Limited Rock Builders and Developers Private Limited*	14,659,304	5.68	12,882,106	5.94
International Finance Corporation	12,818,331	4.97	12,818,331	5.91
India Horizon Fund Limited	6,516,826	2.52	17,838,467	8.22
Axis Bank Limited	6,000	0.00	15,789,000	7.42

\*on behalf of Chandrakanta Enterprise

20.1(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.

20.1(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

20.2 The Company has preference share capital having a par value of Rs. 10 per share, referred to herein as preference share capital.

Particulars	As at March 31, 2020	As at 31 March 2019
<b>Authorized</b>		
162,000,000 Redeemable Preference Shares of Rs. 10 each	16,200.00	16,200.00
<b>Total</b>	16,200.00	16,200.00





(Amount in Rs. lakhs, unless otherwise stated)

**21. Other equity**

21.1	Securities premium	As at March 31, 2020	As at March 31, 2019
	Opening balance	368,656.46	352,376.25
	Add : Securities premium credited on share issue	17,421.44	16,280.21
	<b>Closing balance</b>	<b>386,077.90</b>	368,656.46

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.

21.2	Particulars	As at March 31, 2020	As at March 31, 2019
	<b>Capital Redemption Reserve</b>		
	Opening balance	123.14	123.14
	Add: Changes during the year	-	-
	<b>Closing balance</b>	<b>123.14</b>	123.14
	<b>Capital Reserve</b>		
21.3.1	<b>Reserve on account Scheme of Arrangement</b>		
	Opening balance	6,525.65	6,525.65
	Add: Changes during the year	-	-
	<b>Closing balance</b>	<b>6,525.65</b>	6,525.65
21.3.2	<b>Reserve on Forfeiture of Share warrant</b>		
	Opening balance	-	-
	Add: Changes during the year	4,161.12	-
	<b>Closing balance</b>	<b>4,161.12</b>	-
	<b>Total Capital Reserve</b>	<b>10,686.77</b>	6,525.65
21.4	<b>General reserve (GR)</b>		
	Opening balance	2,654.14	2,654.14
	Add: Changes during the year	-	-
	<b>Closing balance</b>	<b>2,654.14</b>	2,654.14
21.5	<b>Statutory Reserve</b>		
	Opening balance	9,712.63	9,712.63
	Add: Changes during the year	-	-
	<b>Closing balance</b>	<b>9,712.63</b>	9,712.63



Notes Forming Part of the Financial Statements  
For the year ended March 31, 2020

	Particulars	As at March 31, 2020	As at March 31, 2019
21.6	<b>Retained Earning</b>		
	Opening balance	(252,995.53)	(238,384.31)
	Add: Adjustment for ESOP expense	3.96	-
	Add: Net loss for the current year	(31,016.33)	(14,611.22)
	<b>Closing balance</b>	<b>(284,007.90)</b>	<b>(252,995.53)</b>
21.7	<b>Other Comprehensive Income</b>		
	Opening Balance	(1.56)	(17.75)
	Add :- Remeasurement gain/(loss) on post employment benefit obligation (net of tax)	(51.50)	16.19
	<b>Closing balance</b>	<b>(53.06)</b>	<b>(1.56)</b>
21.8	<b>ESOP reserve</b>		
	Opening Balance	-	-
	Changes during the year	52.47	-
	<b>Closing balance</b>	<b>52.47</b>	<b>-</b>
21.9	<b>Money Received against Share Warrants</b>		
	Opening balance	9,546.11	-
	Amount received during the year	16,154.98	14,578.35
	Less- Utilised toward Equity Allotment	(21,539.98)	(5,032.24)
	Less- Transfer to Capital Reserve	(4,161.12)	-
	<b>Closing balance</b>	<b>-</b>	<b>9,546.11</b>
	<b>Total other equity</b>	<b>125,246.09</b>	<b>144,221.02</b>

During the year ended March 31, 2019, the Company had 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 41,185,419 warrants were converted into shares during FY 2019-20. The last date of conversion of warrants was October 18, 2019. Certain warrant holders holding 31,825,010 warrants have not exercised their options to convert these warrants and the Company has not received the balance 75% amount for these 31,825,010 warrants. Accordingly, in terms of Regulation 169(3) of SEBI ICDR Regulations, 2018, 25% consideration (amounting approx. Rs. 416,112,005/-) paid against these 31,825,010 warrants stood forfeited and transferred to Capital Reserve Account.

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, 2020.



(Amount in Rs. lakhs, unless otherwise stated)

Utilisation of warrant money received during the current financial year and in corresponding previous year is as follows:

Particulars	FY 2019-20	FY 2018-19
1. Repayment of Loans	5,000.00	18,188.26
2. Investments in Subsidiary	7,717.54	6,690.68
3. Settlement for Non disposable undertaking (NDU) given	1,700.00	-
4. Payment of liability on account of Merger	-	4,000.00
5. Payment made against Capital Commitment	894.85	-
6. General Corporate Purpose	842.59	796.14
<b>Total</b>	<b>16,154.98</b>	<b>29,675.07</b>

**22. Revenue from operations - Interest Income**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>On Financial Assets measured at Amortised Cost</b>		
Interest Income on Short Term Inter Corporate Loans	251.18	16.54
Interest income from Investments	-	342.15
<b>Total</b>	<b>251.18</b>	<b>358.69</b>

**23. Revenue from operations (Others)**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit on Sale/Redemption of Non Current and Current Investments	21.34	13.53
<b>Total</b>	<b>21.34</b>	<b>13.53</b>

**24. Other Income**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Support Service Income	1,620.43	2,330.46
Profit on Sale of property, plant and equipment	15.81	4.66
Interest on Fixed Deposits with Banks	0.37	2.58
Income from Sale/Distribution of Non current investments	14.92	89.50
Interest on Income Tax Refund	145.58	538.17
Credit Balances Written back (Refer Note 16)	3,988.48	-
Miscellaneous Income	0.83	178.98
<b>Total</b>	<b>5,786.42</b>	<b>3,144.35</b>

**25. Finance Costs**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>On Financial liabilities measured at Amortised Cost</b>		
Interest on Inter Corporate Loans	243.24	3,786.59
Interest on liability portion of Redeemable Preference Shares	359.82	577.55
Discount on Commercial Papers	-	106.08
<b>Total</b>	<b>603.06</b>	<b>4,470.22</b>



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	2019-20			2018-19		
	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>						
Discount on Commercial Papers	-	-	-	-	106.08	106.08
<b>B Borrowings (other than debt securities)</b>						
Interest on Inter Corporate Loans	-	243.24	243.24	-	3,786.59	3,786.59
Interest expenses on Financial Liabilities designated at Fair Value through Profit & Loss	359.82	-	359.82	577.55	-	577.55
<b>Total</b>	<b>359.82</b>	<b>243.24</b>	<b>603.06</b>	<b>577.55</b>	<b>3,892.67</b>	<b>4,470.21</b>

**26. Net Loss on Fair Valuation changes**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Loss on fair valuation of Mutual Fund, Venture Capital Fund and Alternative Investment Funds	147.60	6.37
<b>Total</b>	<b>147.60</b>	<b>6.37</b>

**27. Impairment on Financial Instruments**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Impairment Losses on Investment in subsidiaries (Refer Note 9)	12,036.73	9,934.24
<b>Total</b>	<b>12,036.73</b>	<b>9,934.24</b>

**28. Employee Benefits Expenses**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries and wages	1,343.43	1,168.61
Contribution to provident and other funds	53.83	53.10
Share Based Payments to employees (Refer Note No 40.5)	15.00	-
Staff welfare expenses	25.15	25.52
Gratuity and compensated absences expenses	46.06	31.55
Recruitment and training	1.63	1.05
<b>Total</b>	<b>1,485.10</b>	<b>1,279.83</b>



(Amount in Rs. lakhs, unless otherwise stated)

**29. Depreciation and amortization expense**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant & Equipment (Refer Note 13)	34.00	38.51
Amortization of Intangible Assets (Refer Note 14)	29.47	46.91
<b>Total</b>	<b>63.47</b>	<b>85.42</b>

**30. Capital Commitment/ Settlement**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Expense for Capital Commitment/ Settlement (Refer Note 32.3)	894.85	-
<b>Total</b>	<b>894.85</b>	<b>-</b>
(b) Exceptional Items		
Expense for capital commitment/ Settlement (Refer Note 17 and 32.5)	17,000.00	-
<b>Total</b>	<b>17,000.00</b>	<b>-</b>

**31. Other expenses**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Rent	169.22	189.57
Provision against Letter of comfort(Refer Note 17)	1,569.67	-
Repairs and maintenance - others	77.94	75.04
Communication Costs	79.50	165.41
Printing and stationery	16.97	18.68
Advertisement and publicity	14.27	27.82
Director's fees, allowances and expenses	98.00	118.20
Auditor's fees and expenses (Refer Note 31.1)	55.96	35.33
Legal and Professional charges	1,078.90	1,076.55
Insurance cost	48.79	39.60
Custodial and stamp charges	9.41	62.72
Provision for non performing assets	0.00	44.01
Provision for security deposit	363.57	-
Provision for support services	-	139.37
Expense towards Contingency	673.99	-
Filing Fees	10.55	25.82
Membership and subscription fees	9.83	36.20
Travel and conveyance	54.20	133.68



Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Postage and Courier	7.67	13.56
Office Expenses	13.30	29.59
Electricity and Water	123.20	352.46
Fines & Penalties	7.45	2.14
Loss on sale of long term investments (net)	31.62	-
Software License Fees	48.87	12.46
GST input credit (expense off)	333.80	-
Miscellaneous Expenses	1.65	4.01
Less: Expenses shared by subsidiaries/JVs	(53.86)	(250.51)
<b>Total</b>	<b>4,844.46</b>	<b>2,351.71</b>

\* As per IND AS , letter of comfort issued in favor of Subsidiaries or Group Companies to be recorded as Financial Liability. Financial liability of Rs. 1,569.67 has been booked in current financial year 2019-20 ,against letter of comfort issued in favor its subsidiary company "Relegate Comtrade Limited". (Refer Note 17)

### 31.1 Payment to Auditor's (exclusive of GST)

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>As Auditors</b>		
Statutory Audit Fees	28.20	21.55
Tax audit Fees	1.21	1.10
<b>In Other Capacity</b>		
For other Services (Certification)	20.26	11.47
Out of pocket expense	6.29	1.21
<b>Total</b>	<b>55.96</b>	<b>35.33</b>

### 32. Contingent Liabilities and Commitments

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Guarantees		
- Guarantees given to banks on behalf of subsidiaries <sup>1</sup>	4,291.00	-
(b) Other money for which the company is contingently liable		
- Disputed Tax Demands not provided for -Direct Tax <sup>2</sup>	1,437.58	1,722.88
- Disputed Tax Demands not provided for -Indirect Tax <sup>3</sup>	112.61	112.61
- Claims against the company not acknowledged as debts	10.37	10.37
- Underwriting commitments / obligations for shares/ debentures (refer Note 32.1 and 32.2)	11,991.09	95,467.37
<b>Total</b>	<b>17,842.66</b>	<b>97,313.23</b>



1. During the year, the Company has given a corporate guarantee to banks on behalf of its wholly owned subsidiary Religare Broking Limited amounting to Rs. 12,500 lakhs (Previous year Rs. 5,000 Lakhs) against various credit facilities. As on March 31, 2020, a sum of Rs. 4,291 lakhs (Previous year: Nil) was outstanding towards the said credit facility.
  2. Includes demands which are pending for adjudication with various income tax authorities i.e ITAT, CIT (Appeal), Commissioner of Income Tax, etc.
  3. Includes demands which are pending for adjudication with CESTAT.
- 32.1 Inclusive of Unpaid Capital call on equity shares of Religare Capital Markets Limited amounting to Rs. 4,077.50 Lakhs (Previous year Rs. 4,077.50 Lakhs).
- 32.2 During the year ended March 31, 2018, Bartleet Transcapital Limited (BTL), Srilanka has exercise their put option right to require Religare Capital Markets International (Mauritius) Limited's (RCMIML) (subsidiary of Religare Capital Market Limited (RCML), RCML and the Company to acquire shareholding of BTL in Bartleet Religare Securities Private Limited, Srilanka (BRS) for a consideration of USD 10,497,422.98 as per the Option shareholders' agreement between RCMIML and BTL. Subsequently, RCMIML has entered into Sale & Purchase Agreement dated December 21, 2017 for sale of its share of its investment in BRS to BTL. The transaction has not been completed as at the year end due to pending legal case against RCMIML. The estimated value of exercised put option as at March 31, 2020 amounts to Rs. 7,913.59 Lakhs (March 31, 2019 Rs. 7,207.53 Lakhs).
- 32.3 During the previous years, two non resident shareholders of Religare Finvest Limited (RFL), a subsidiary of the Company, had exercised their right of put option requiring the Company to acquire their shareholding in RFL and had filed petitions in Delhi High Court for seeking various reliefs. Accordingly, a contingent liability of Rs. Nil (Previous year : Rs. 84,182.34 lakhs) was disclosed. On February 11, 2020, the Company, entered into Share Purchase Agreements ("SPA") for acquisition of 37,641,204 equity shares of RFL constituting 14.36% shareholding of RFL from the said non resident shareholders. Further, Consent Term Agreements had been entered amongst the parties to amicably settle all the existing disputes initiated by the said non resident shareholders against the Company and RFL. The Company deposited a sum of Rs. 894.85 Lakhs with the Hon'ble Court as settlement amount in accordance with the terms set out therein.
- Accordingly, in terms of the SPA, 14.36% stake of RFL was acquired for a consideration of Rs. 4,705 Lakhs and RFL became a wholly owned subsidiary of the Company on February 28, 2020.
- 32.4 'During the year ended March 31, 2017, the Company had entered into an agreement for payment of Brand License Fees to RHC Holding Private Limited ("RHC") for a period of 6 years effective April 01, 2016 for usage of the "Religare" trademark/brand. During the year ended March 31,2018, RHC has assigned the trade mark "Religare" and its logo to Elive Infotech Pvt Limited (assignee/Elive). 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. The Delhi High Court vide its order date 22.02.2018 passed an order to maintain status quo regarding the Religare Trademark. RHC and Elive have filed an application under Section 340 Cr.P.C against SCCPL for willfully knowing, deliberately making false statements and submitting forged documents. The matter is sub-judice.
- 32.5 'In relation to order dated March 21, 2018 passed by Hon'ble Debt Recovery Tribunal –II, New Delhi (DRT – II) in the Original Application filed by Axis Bank Ltd. ("OA") in which apart from other parties, the Company, Religare Capital Markets Ltd ("RCML"), and Religare Capital Markets International (Mauritius) Limited ("RCMIML"), have been made parties for recovery of Rs. 3,129,393,167 in relation to a loan facility obtained by RCMIML from Axis Bank which was, inter alia, secured by personal guarantees executed by Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh and certain other securities provided to Axis Bank. The Company has not provided any guarantee/securities in relation to the facility obtained by RCMIML from Axis Bank. REL has executed a Non-Disposal Undertaking ("NDU") in favor of Axis Bank stating that until the repayment of the loan to Axis Bank by RCMIML, REL shall not alienate the shares in RHICL. REL has been made a party to the proceedings based on the NDU and certain other actions taken by it. In the matter, in view of the full and final payment made by the Company to Axis Bank in terms of the Consent Agreement dated 01.10.2019 entered into between the Company, RCML, RCMIML and Axis Bank, the Hon'be Tribunal has vide its order dated July 13, 2020 has deleted REL,



RCML and RCMIML from the array of parties in view of full and final settlement and Interim orders passed on 21.03.2018 and 26.08.2019 against REL, RCML and RCMIML stand vacated.

32.6 In the matter of Loancore Servicing Solutions Ltd. Vs. REL , Loancore has filed insolvency petition under Section 9 of IBC on the basis of Penalty Fee Agreement of Rs. 125 Crore allegedly signed by Ex Chairperson of the Company. 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 petition is not maintainable as per the Company. The Company has submitted its Certificate of registration as NBFC and suitable reply. The matter is being pursued for disposal the company is expected positive outcome.

### 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 there is no balance outstanding with any of micro enterprises and small enterprises as on March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

### 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 Rules of Companies (Indian Accounting Standards) , 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

- 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.
- 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.

#### INFORMATION ABOUT PRIMARY BUSINESS SEGMENT

(Amount in Rs. lakhs, unless otherwise stated)

PARTICULARS		Investment and Financing Activities	Support Services	Unallocated	TOTAL
(i)	<b>Segment Revenue</b>				
	External Revenue	287.44	1,636.24	146.78	2,070.46
	Balances Written Back	3,961.53	26.95	-	3,988.48
	<b>Total Revenue</b>	<b>4,248.97</b>	<b>1,663.19</b>	<b>146.78</b>	<b>6,058.94</b>
(ii)	<b>Segment Results</b>	(31,498.26)	335.15	146.78	<b>(31,016.33)</b>
	Other Comprehensive Income	(37.01)	(14.49)	-	(51.50)
	<b>Total Comprehensive Income</b>	<b>(31,535.27)</b>	<b>320.66</b>	<b>146.78</b>	<b>(31,067.83)</b>
(iii)	<b>Segment Assets</b>	209,276.50	454.94	5,374.99	215,106.43
	<b>Total Assets</b>	<b>209,276.50</b>	<b>454.94</b>	<b>5,374.99</b>	<b>215,106.43</b>
(iv)	<b>Segment liabilities</b>	46,072.42	17,811.83	163.26	64,047.52
	<b>Total liabilities</b>	<b>46,072.42</b>	<b>17,811.83</b>	<b>163.26</b>	<b>64,047.52</b>
(v)	<b>Capital Expenditure</b>	<b>111.62</b>	<b>43.69</b>	-	<b>155.31</b>
(vi)	<b>Depreciation/Amortization</b>	<b>45.61</b>	<b>17.86</b>	-	<b>63.47</b>
(vii)	<b>Non Cash Expenditure other than Depreciation</b>	<b>13,391.12</b>	<b>196.18</b>	-	<b>13,587.30</b>

Note :- Advance tax /TDS receivable and statutory payments are considered as unallocated item.

#### 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



(Amount in Rs. lakhs, unless otherwise stated)

### 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.

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, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	71.13	-	-	344.51
Bank Balance other than cash and cash equivalents	-	-	5.40	-	-	5.40
Investments	723.00	-	205,901.01	1,026.84	-	210,182.57
Other Financial assets	-	-	1,548.86	-	-	2,343.02
<b>Total</b>	<b>723.00</b>	<b>-</b>	<b>207,526.40</b>	<b>1,026.84</b>	<b>-</b>	<b>212,875.51</b>
<b>Financial Liabilities</b>						
Trade Payables	-	-	1,771.74	-	-	1,003.35
Borrowings (Other than Debt Securities)	-	-	33,301.81	-	-	38,058.74
Other financial liabilities	-	-	28,673.82	-	-	16,029.14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>63,747.37</b>	<b>-</b>	<b>-</b>	<b>55,091.23</b>



(Amount in Rs. lakhs, unless otherwise stated)

**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, 2020

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	-	-	723.00	723.00
<b>Total</b>	-	-	723.00	723.00

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	-	-	1,026.84	1,026.84
<b>Total</b>	-	-	1,026.84	1,026.84

**35.4 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 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.

**35.5 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 preciously 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 2019-20	FY 2018-19
<b>Opening Balance</b>	1,026.84	1,243.05
Purchase	5,200.00	13,825.00
Sales	5,328.43	14,047.57
Loss of principal (Investment written off)	27.81	-
Net interest income, net trading income and other income	36.26	103.03
Other comprehensive income	-	-
<b>Closing Balance</b>	723.00	1,026.84
<b>Unrealised gains and (losses) related to balances held at the end of the year</b>	(147.60)	(6.37)



(Amount in Rs. lakhs, unless otherwise stated)

### 35.6 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.

As at March 31, 2020

Particulars	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and Cash equivalent	71.13	-	-	71.13	71.13
Bank balances other than cash and cash equivalent	5.40	-	-	5.40	5.40
Investment	206,624.01	-	-	206,624.01	206,624.01
Financial Assets	1,548.86	-	-	1,548.86	1,548.86
<b>Total financial assets</b>	<b>208,249.40</b>	<b>-</b>	<b>-</b>	<b>208,249.40</b>	<b>208,249.40</b>
<b>Financial Liabilities</b>					
Trade payables	1,771.74	-	-	1,771.74	1,771.74
Borrowing other than debt securities	33,301.81	-	-	33,301.81	33,301.81
Other financial liability	28,673.82	-	-	28,673.82	28,673.82
<b>Total Financial liabilities</b>	<b>63,747.37</b>	<b>-</b>	<b>-</b>	<b>63,747.37</b>	<b>63,747.37</b>

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	5.40	-	-	5.40	5.40
Investment	211,209.41	-	-	211,209.41	211,209.41
Financial Assets	2,343.02	-	-	2,343.02	2,343.02
<b>Total financial assets</b>	<b>213,902.34</b>	<b>-</b>	<b>-</b>	<b>213,902.34</b>	<b>213,902.34</b>
<b>Financial Liabilities</b>					
Trade payables	1,003.35	-	-	1,003.35	1,003.35
Borrowing other than debt securities	38,058.74	-	-	38,058.74	38,058.74
Deposits	-	-	-	-	-
Other financial liability	16,029.14	-	-	16,029.14	16,029.14
<b>Total Financial liabilities</b>	<b>55,091.23</b>	<b>-</b>	<b>-</b>	<b>55,091.23</b>	<b>55,091.23</b>

### 35.7 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 Rs.	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.



Notes Forming Part of the Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. 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, 2020</b>						
<b>Financial assets</b>						
Cash and cash equivalent and other bank balances	71.13	-	5.40	-	-	76.53
Financial assets at fair value through profit and loss	-	-	94.82	628.18	-	723.00
Other Financial Assets	-	1,515.24	30.62	3.00	-	1,548.86
Financial investments at amortised cost	-	-	-	-	205,901.01	205,901.01
<b>Total undiscounted financial assets</b>	<b>71.13</b>	<b>1,515.24</b>	<b>130.85</b>	<b>631.18</b>	<b>205,901.01</b>	<b>208,249.40</b>
<b>Financial liabilities</b>						
Borrowings (other than debt securities)*	-	25.33	25,455.53	7,820.95	-	33,301.81
Trade Payable	-	436.00	590.59	745.15	-	1,771.74
Other financial liabilities	-	15,319.26	172.42	13,182.12	-	28,673.81
<b>Total undiscounted financial liabilities*</b>	<b>-</b>	<b>15,780.59</b>	<b>26,218.55</b>	<b>21,748.22</b>	<b>-</b>	<b>63,747.36</b>
<b>Total Net financial assets/(liabilities)</b>	<b>71.13</b>	<b>(14,265.34)</b>	<b>(26,087.70)</b>	<b>(21,117.04)</b>	<b>205,901.01</b>	<b>144,502.04</b>

\* Includes Inter Corporate Borrowing's from subsidiary 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, 2019</b>						
<b>Financial assets</b>						
Cash and cash equivalent and other bank balances	344.51	-	5.40	-	-	349.91
Financial assets at fair value through profit and loss	-	-	265.49	761.35	-	1,026.84
Other Financial Assets	-	143.00	2,200.02	-	-	2,343.02
Financial investments at amortised cost	-	-	-	-	210,182.56	210,182.56
<b>Total undiscounted financial assets</b>	<b>344.51</b>	<b>143.00</b>	<b>2,470.91</b>	<b>761.35</b>	<b>210,182.57</b>	<b>213,902.34</b>
<b>Financial liabilities</b>						
Borrowings (other than debt securities)	28,046.93	2,550.67	-	7,461.14	-	38,058.73
Trade Payable	-	225.00	566.64	211.71	-	1,003.35
Other financial liabilities	3,794.87	-	10,419.15	1,815.12	-	16,029.14
Total undiscounted financial liabilities	31,841.80	2,775.67	10,985.79	9,487.96	-	55,091.22
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(31,497.29)</b>	<b>(2,632.67)</b>	<b>(8,514.88)</b>	<b>(8,726.61)</b>	<b>210,182.57</b>	<b>158,811.12</b>

### 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 analyses.





(Amount in Rs. lakhs, unless otherwise stated)

**36.2.7.1 Total market risk exposure**

	March 31, 2020			March 31, 2019			Primary risk sensitivity
	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	76.53	-	76.53	349.91	-	349.91	Interest rate
Financial assets at FVTPL	723.00	-	723.00	1,026.84	-	1,026.84	Interest rate/FX and Equity price Interest rate
Investments- amortised cost	205,901.01	-	205,901.01	210,182.56	-	210,182.56	Interest rate
<b>Total</b>	<b>206,700.54</b>	<b>-</b>	<b>206,700.54</b>	<b>211,559.32</b>	<b>-</b>	<b>211,559.32</b>	
<b>Liabilities</b>							
Borrowings (other than Debt Securities)	33,301.81	-	33,301.81	38,058.74	-	38,058.74	Interest rate
Deposits	1,802.48	-	1,802.48	1,802.48	-	1,802.48	Interest rate
Trade payables	1,771.74	-	1,771.74	1,003.35	-	1,003.35	Interest rate
Other liabilities	26,871.34	-	26,871.34	14,226.67	-	14,226.67	Interest rate
<b>Total</b>	<b>63,747.37</b>	<b>-</b>	<b>63,747.37</b>	<b>55,091.23</b>	<b>-</b>	<b>55,091.23</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.

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:

(Amount in Rs. lakhs, unless otherwise stated)

#### (A) Changes in the defined benefit obligation and fair value of plan assets :

##### Gratuity

Particulars	As on March 31,2020			As on March 31,2019		
	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	117.03	119.00	(1.97)	147.72	125.10	22.62
Service Cost	17.74	-	17.74	13.38	-	13.38
Net interest expense	5.97	-	5.97	9.39	-	9.39
<b>Sub total included in profit &amp; loss</b>	<b>23.71</b>	<b>-</b>	<b>23.71</b>	<b>22.77</b>	<b>-</b>	<b>22.77</b>
Benefits paid	(65.83)	(65.83)	-	(44.94)	(44.94)	-
<b>Remeasurement gains/(losses) in other comprehensive income</b>						
Return on plan assets (excluding amounts included in net interest expenses)	-	-	-	-	8.55	(8.55)
Actuarial changes arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.86)	-	(0.86)	2.68	-	2.68
Return on plan assets greater/(lesser) than discount rate	-	(14.37)	14.37	-	7.67	(7.67)
Experience adjustments	31.88	-	31.88	(11.20)	-	(11.20)
Subtotal included in OCI	-	-	-	-	-	-
Contributions by employer	-	-	-	-	22.62	(22.62)
<b>Present value of DBO at the end of the year</b>	<b>105.93</b>	<b>38.80</b>	<b>67.13</b>	<b>117.03</b>	<b>119.00</b>	<b>(1.97)</b>



(Amount in Rs. lakhs, unless otherwise stated)

## Leave Encashment

Particulars	As on March 31, 2020			As on March 31, 2019		
	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	68.85	-	68.85	74.77	-	74.77
Service Cost	18.26	-	18.26	10.49	-	10.49
Net interest expense	3.91	-	3.91	4.74	-	4.74
<b>Sub total included in profit &amp; loss</b>	<b>22.17</b>	<b>-</b>	<b>22.17</b>	<b>15.23</b>	<b>-</b>	<b>15.23</b>
Benefits paid	(27.55)	-	(27.55)	(23.25)	-	(23.25)
<b>Remeasurement gains/(losses) in other comprehensive income</b>						
Return on plan assets (excluding amounts included in net interest expenses)	-	-	-	-	-	-
Actuarial changes arising from changes in demographic assumptions	(0.31)	-	(0.31)	1.01	-	1.01
Actuarial changes arising from changes in financial assumptions	-	-	-	-	-	-
Experience adjustments	6.60	-	6.60	1.09	-	1.09
Subtotal included in OCI	-	-	-	-	-	-
Contributions by employer	-	-	-	-	-	-
<b>Present value of DBO at the end of the year</b>	<b>69.76</b>	<b>-</b>	<b>69.76</b>	<b>68.85</b>	<b>-</b>	<b>68.85</b>

## (B) Major Category of Plan asset as percentage of total plan asset

Investments quoted in active markets:	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
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	-	-	-	-
Scheme of Insurance - ULIP Products	100.00%	100.00%	-	-
<b>Total</b>	<b>100.00%</b>	<b>100.00%</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.



(Amount in Rs. lakhs, unless otherwise stated)

(C)

Expected payment for future years	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	14.23	12.74	36.83	33.74
Between 2 and 5 years	70.15	62.35	40.30	27.95
Between 5 and 10 years	98.28	155.04	50.98	86.18
Beyond 10 years	-	-	-	-
<b>Total expected payments</b>	<b>182.66</b>	<b>230.13</b>	<b>128.11</b>	<b>147.87</b>

(D) Changes in Fair Value of Plan Assets:

	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Plan Asset at the beginning of the Year	119.00	125.10	-	-
Expected Return on Plan Asset	6.11	8.55	-	-
Remeasurement Gain/Loss on Plan Assets	(20.48)	7.67	-	-
Actual Company Contributions	-	22.62	-	-
Benefits Paid	(65.83)	(44.94)	-	-
<b>Plan Asset at the end of the Year</b>	<b>38.80</b>	<b>119.00</b>	<b>-</b>	<b>-</b>

(E) Actuarial Assumptions

Financial Assumption

Impact on defined benefits obligations	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	6.10%	7.10%	6.10%	7.10%
Salary Escalation	7.00%	8.00%	7.00%	8.00%

Demographic Assumption

Impact on defined benefits obligations	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
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.
Withdrawal Rate	18-35 years: 20% 36-45 years: 15% 46 and above: 10%	18-35 years: 20% 36-45 years: 15% 46 and above: 5%	18-35 years: 20% 36-45 years: 15% 46 and above: 10%	18-35 years: 20% 36-45 years: 15% 46 and above: 5%



(Amount in Rs. lakhs, unless otherwise stated)

**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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b><u>Discount Rate</u></b>				
Increase by 0.5%	(2.45)	(3.34)	(1.02)	(1.25)
Decrease by 0.5%	2.58	3.54	1.07	1.32
<b><u>Future salary increases</u></b>				
Increase by 0.5%	2.55	3.50	1.06	1.30
Decrease by 0.5%	(2.44)	(3.33)	(1.02)	(1.25)

**Risk Analysis**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risk pertaining to defined benefits 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 @ 7% . As such ,an increase in the salary of the plan participants will increase the plan's liability.

**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, 2020			
	Interest Income	Support Service	Other Income	Total
<b>Type of Services or service</b>				
Interest on ICD	251.18	-	-	251.18
Support Service Income	-	1,620.43	-	1,620.43
Profit on Sale/Redemption of Investments	-	-	21.34	21.34
Profit on Sale of Fixed Assets	-	-	15.81	15.81
<b>Total revenue from contracts with customers</b>	<b>251.18</b>	<b>1,620.43</b>	<b>37.15</b>	<b>1,908.76</b>



Particulars	For year ended March 31, 2020			
	Interest Income	Support Service	Other Income	Total
<b>Geographical markets</b>				
India	251.18	1,620.43	37.15	1,908.76
Outside India	-	-	-	-
<b>Total revenue from contracts with customers</b>	<b>251.18</b>	<b>1,620.43</b>	<b>37.15</b>	<b>1,908.76</b>
<b>Timing of revenue recognition</b>				
Services transferred at a point in time	-	-	37.15	37.15
Services transferred over time	251.18	1,620.43	-	1,871.61
<b>Total revenue from contracts with customer</b>	<b>251.18</b>	<b>1,620.43</b>	<b>37.15</b>	<b>1,908.76</b>

(Amount in Rs. lakhs, unless otherwise stated)

Particulars	For year ended March 31, 2019			
	Interest Income	Support Service	Other	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
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	4.66	2,693.81
<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>

#### Contract Balances

Particulars	March 31, 2020	March 31, 2019
Trade receivable	436.55	763.51

#### Revenue recognised in the period from:

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. As on March 31, 2020, Rs. 421.30 Lakhs (March 31, 2019: Rs. 610.41 Lakhs) was recognised as provision for expected credit losses on trade receivable.

## 40 Disclosure on Employees Stock Options Scheme

### 40.1 ESOP Policy

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in notes to accounts.



The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

**ESOPs (equity-settled share-based payments) have also been granted to the employees of:**

**Subsidiary (including step down subsidiary) whereby:**

- i) The Company has debited these shares as 'Investment in Subsidiary' and credited its equity;
- ii) The subsidiary has debited its expenses (employee related cost) and credited the capital contribution from the parent;

The employees of the Company are recipient of equity-settled share based payments either from the parent (including ultimate parent) and / or its subsidiary (including step down subsidiary).

- i) Where the transaction is with the subsidiary, credit to 'Dividend Income' and debit to expenses (employee related cost)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 40.2 ESOP DISCLOSURES

**Details of the Scheme:**

The Board of Directors at its meeting held on February 12, 2019, approved the Religare Enterprises Limited Employee Stock Option Plan 2019 ("REL ESOP 2019 / Scheme") to issue and allot stock options up to a maximum of 10% of expanded share capital of the Company (after taking into account any other equity Shares including through convertible instruments) for the permanent employees and directors whether a whole-time director or not (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company and its present and future holding company and subsidiary company(ies) in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The shareholders of the Company approved the Scheme vide their special resolution passed through postal ballot on March 29, 2019.

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme.

- 40.3** The details of grants approved for employees of the Company, its subsidiaries (including step down subsidiaries) & parent (including ultimate parent) in accordance with the Stock Option Scheme:

### 40.3.1 To the employees of the Company

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
1-Apr-19	29.43	8,575,000	-	-	-	7,300,000	1,275,000
9-Sep-19	31.35	650,000	-	-	-	-	650,000
<b>Total</b>		<b>9,225,000</b>	-	-	-	<b>7,300,000</b>	<b>1,925,000</b>

### 40.3.2 To the employees of the subsidiaries (including step down subsidiaries)

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
1-Apr-19	29.43	6,825,000	-	-	-	1,125,000	5,700,000
19-Jun-19	29.43	500,000	-	-	-	-	500,000
8-Aug-19	30.85	600,000	-	-	-	-	600,000
9-Sep-19	31.35	350,000	-	-	-	-	350,000
<b>Total</b>		<b>8,275,000</b>	-	-	-	<b>1,125,000</b>	<b>7,150,000</b>



(Amount in Rs. lakhs, unless otherwise stated)

40.3.3 Weighted average fair value of stock options granted during the year is as follows:

Particulars	Current Year (Scheme 2020)				Previous Year
	Tranche 1*	Tranche 2*	Tranche 3#	Tranche 4#	
Grant date	01-Apr-19	19-Jun-19	08-Aug-19	09-Sep-19	-
No. of options granted	15,400,000	500,000	600,000	1,000,000	-
Weighted average fair value	Rs. 29.43	Rs. 29.43	Rs. 30.85	Rs. 31.35	-

\* Fair Value of stock options is equivalent to weekly high and low price (Volume weighted average price) of equity shares of the Company during the last six months.

# Fair Value of stock options is equivalent to closing price of the equity share of the Company for the previous day to the grant date.

40.3.4 Following table depicts range of exercise prices and weighted average remaining contractual life

Total for all grants	No. of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,500,000	Rs. 29.43-Rs. 31.35	Rs. 29.74	3.39
Cancelled during the year	8,425,000	Rs. 29.43	Rs. 29.43	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	9,075,000	Rs. 29.43-Rs. 31.35	Rs. 29.74	3.39
Exercisable at the end of the year	-	-	-	-

Note: The weighted average market price of equity shares for options exercised during the year is Nil (previous year Nil).

40.4 Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model.

The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

- Grant date
- Risk free interest rate
- Expected life
- Expected volatility
- Dividend yield
- Price of the underlying share in the market at the time of the option grant

Note: For the year ended March 31, 2020, the Company has accounted expense of Rs. 15 Lakhs as employee benefit Expenses on the aforesaid employee stock option plan (Previous year Nil). The balance in employee stock option outstanding account is Rs. 56.43 Lakhs as of March 31, 2020 (Rs. Nil as of March 31, 2019).





(Amount in Rs. lakhs, unless otherwise stated)

**40.5 TRANSACTIONS DURING THE YEAR**

During the year, the Company has:

**Credited ESOP reserve on:**

- i) Debiting to employee related cost by Rs. 11.04 Lakhs (previous year: Rs. Nil) being ESOP expenses on its own employees;
- ii) Debiting investment in subsidiaries by Rs. 41.43 (previous year: Rs. Nil) being ESOP expenses on its subsidiaries employees; (Refer Note 9)

Credited dividend income and debited employee related cost by Rs. 3.96 Lakhs (previous year Rs. Nil being ESOPs granted to the employees of the Company by its subsidiary.

- 40.6** The Company granted 5,000,000 stock options at a grant price of Rs. 24.10 per share on June 01, 2020 and 6,500,000 stock options at a grant price of Rs. 39.55 per share on July 27, 2020 under "Religare Enterprises Limited Employees Stock Option Plan 2019" (REL ESOP Scheme 2019). On July 17, 2020, the Company allotted 715,750 Equity Shares of face value of Rs. 10/- each at exercise price of Rs. 29.43 each pursuant to exercise of stock options granted under the REL ESOP Scheme 2019. Pursuant to the said allotment, the issued, subscribed and paid up equity capital of the Company stands increased from Rs. 25,812.82 lakhs divided into 258,128,152 equity shares of Rs. 10/- each to Rs. 25,884.39 Lakhs divided into 258,843,902 equity shares of Rs. 10/- each.

**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:**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit from continued operation attributable to equity holders of the parent	(31,016.33)	(14,611.22)
Particulars	As at March 31, 2020	As at March 31, 2019
Weighted average number of ordinary shares for basic earnings per share	235,764,730	210,721,468
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	235,764,730	210,721,468
<b>Earnings per share</b>		
Basic earnings per share	(13.16)	(6.93)
Diluted earnings per share	(13.16)	(6.93)

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.

**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 amortisation.



(Amount in Rs. lakhs, unless otherwise stated)

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
Cash and cash equivalents	71.13	-	71.13	344.51	-	344.51
Bank Balance other than above	5.40	-	5.40	5.40	-	5.40
Investments	94.82	206,529.19	206,624.01	265.49	210,943.92	211,209.41
Other Financial Assets	1,545.86	3.00	1,548.86	2,343.02	-	2,343.02
<b>Non-financial Assets</b>						
Current Tax Asset (Net)	900.00	4,303.40	5,203.40	5,472.11	-	5,472.11
Deferred Tax Assets (Net)	-	171.59	171.59	173.56	-	173.56
Property, Plant and Equipment	-	228.48	228.48	-	108.64	108.64
Other Intangible assets	-	9.57	9.57	-	39.04	39.04
Other Non-Financial Assets	461.42	782.57	1,243.99	438.79	1,064.22	1,503.01
<b>Total Assets</b>	<b>3,078.63</b>	<b>212,027.80</b>	<b>215,106.43</b>	<b>9,042.88</b>	<b>212,155.82</b>	<b>221,198.70</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	1,026.59	745.15	1,771.74	1,003.35	-	1,003.35
Borrowings (Other than debt securities)	25,480.87	7,820.95	33,301.81	38,058.74	-	38,058.74
Other financial liabilities	15,491.70	13,182.12	28,673.82	16,029.14	-	16,029.14
<b>Non-Financial Liabilities</b>						
Provisions	51.06	85.83	136.89	32.60	36.25	68.85
Other Non Financial Liabilities	163.27	-	163.27	123.33	-	123.33
<b>Total liabilities</b>	<b>42,213.48</b>	<b>21,834.05</b>	<b>64,047.53</b>	<b>55,247.17</b>	<b>36.25</b>	<b>55,283.41</b>
<b>Net</b>	<b>(39,134.85)</b>	<b>190,193.75</b>	<b>151,058.90</b>	<b>(46,204.29)</b>	<b>212,119.57</b>	<b>165,915.28</b>

#### 43. Related Party Disclosures

Nature of Relationship	Name of Party
(a) (i) Subsidiaries	Religare Finvest Limited Religare Capital Markets Limited* Religare Health Insurance Company Limited Religare Broking Limited Religare Credit Advisors Private Limited Religare Insurance Limited Religare Comtrade Limited (w.e.f December 31, 2018) Religare Global Asset Management Inc.



Nature of Relationship	Name of Party
a (ii) Subsidiaries of Subsidiary	Religare Housing Development Finance Corporation Limited Religare Commodities Limited 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* Religare Capital Markets (Hongkong) 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 Business Solutions Limited Religare Advisors Limited (Formerly Religare Wealth Management Limited) Religare Capital Markets Inc.*
(b) Joint Ventures	IBOF Investment Management Private Limited (formerly Quadria Investment Management Private Limited)
(c) Individuals owning directly or indirectly interest in voting power that gives them control	-
(d) Key Managerial personnel	Mr. Krishnan Subramanian (till March 11, 2019) Mr. Ashok Mehta (w.e.f April 17 , 2018 till August 7,2018) Mr. Milind Narendra Patel- Group CEO (w.e.f August 7 , 2018 to July 19, 2019) Mr. Gurvinder Singh Juneja - CFO (till August 8, 2019) Mr. Ashish Tyagi - CFO (w.e.f August 8,2019 to September 9, 2019) Mr. Nitin Aggarwal - Group CFO ( w.e.f September 09, 2019) Dr. Rashmi Saluja - Executive Chairperson ( w.e.f February 26, 2020) <b><u>Independent Directors</u></b> Mrs. Sabina Vaisoha (w.e.f April 01. 2018) Mr. Vikram Talwar (till Sept 20,2018) 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)



Notes Forming Part of the Financial Statements  
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Nature of Relationship	Name of Party
(e) Employees trust Post-employment benefit plan for the benefit of employees of either the reporting entity or Group Companies.	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 till February 25, 2020)
	<b><u>Non - Executive Non - Independent Director</u></b>
	Mr. Siddarth Dinesh Mehta (w.e.f July 30 , 2019)
	<b><u>Any Fund/Trust created by Reporting entity for the benefit of its employees</u></b>
	Religare Enterprises Limited Group -Gratuity Trust (w.e.f April 01, 2018)
	<b><u>Any Fund/Trust created by Subsidiary of reporting entity for the benefit of its employees</u></b>
	Religare Finvest Limited Group Gratuity Scheme (w.e.f April 01, 2018)
	Religare Housing Development Finance Corporation Limited Group Gratuity Scheme (w.e.f April 01, 2018)
	Religare Commodities Limited Group Gratuity Scheme (w.e.f April 01, 2018)
	Religare Health Insurance Limited Group Gratuity Scheme (w.e.f April 01, 2018)
	Religare Securities Limited Group Gratuity Scheme (w.e.f April 01, 2018)
Religare Capital Market Limited Group Gratuity Scheme (w.e.f April 01, 2018)	
Religare Infrafacilities Limited Group Gratuity Scheme (w.e.f April 01, 2018)	

\* Refer note no 47 (e)

(Amount in Rs. lakhs, unless otherwise stated)

43.1- Following transactions were carried out with related parties in the ordinary course of business at arm's length basis:

(As per IND AS 24)

Nature of Transactions	Name of the Related Party	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
Inter Corporate Loans taken				
	Religare Comtrade Limited	a (i)	-	4,500.00
<b>Inter Corporate Loans taken Total</b>			-	4,500.00
Inter Corporate Loans repaid				
	Religare Comtrade Limited	a (i)	2,591.39	21,271.12
<b>Inter Corporate Loans repaid Total</b>			2,591.39	21,271.12
Inter Corporate Loans Given				
	Religare Broking Limited	a (i)	5,600.00	-
<b>Inter Corporate Loans Given Total</b>			5,600.00	-
Inter Corporate Loans Received Back				
	Religare Comtrade Limited	a (i)	-	269.00
	Religare Broking Limited	a (i)	5,600.00	35.00
<b>Inter Corporate Loans Received Back Total</b>			5,600.00	304.00
Corporate Guarantee given on behalf of subsidiaries	Religare Broking Limited	a (i)	12,500.00	5,000.00
<b>Corporate Guarantee given on behalf of subsidiaries Total</b>			12,500.00	5,000.00



Nature of Transactions	Name of the Related Party	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
Subscription/Investment to Equity / Preference Shares/ Commercial Papers by the Company				
	Religare Health Insurance Company Limited (Equity)	a (i)	3,012.39	4,985.93
	Religare Finvest Limited (Equity)	a (i)	4,705.15	-
	Religare Comtrade Limited (NCD)	a (i)	-	2,500.00
	Religare Comtrade Limited (Interest on NCD)	a (i)	-	212.67
<b>Subscription/Investment to Equity / Preference Shares/ Commercial Papers by the Company Total</b>			<b>7,717.54</b>	<b>7,698.60</b>
Letter of Comfort				
	Religare Comtrade Limited	a (i)	1,569.66	-
<b>Letter of Comfort / Guarantees Total</b>			<b>1,569.66</b>	<b>-</b>
<b>Preferential Allotment / Warrants</b>				
	Mr. Ashok Mehta	(d)	-	2,500.00
<b>Preferential Allotment / Warrants Total</b>			<b>-</b>	<b>2,500.00</b>
Payment Paid against the recoverable by Virtue of Merger				
	Religare Broking Limited	a (i)	532.37	5,375.76
<b>Payment Paid against the recoverable by Virtue of Merger Total</b>			<b>532.37</b>	<b>5,375.76</b>
Other Receipt / Payment Adjustments				
Inter Corporate Loans Repaid	Religare Comtrade Limited	a (i)	-	(1,490.00)
Payment made against the recoverable by Virtue of Merger	Religare Broking Limited	a (i)	351.51	(1,375.76)
Repayment of ICD by RBL on behalf of REL (Knocking of Intercompany Asset and liabilities)	Religare Comtrade Limited**	a (i)	-	1,490.00
Repayment of interest by RBL on behalf of REL (Knocking of Intercompany Asset and liabilities)	Religare Comtrade Limited**	a (i)	-	72.70
<b>Other Receipt / Payment Adjustments Total</b>			<b>351.51</b>	<b>(1,303.06)</b>
Insurance Premium - Health / Travel				
	Religare Health Insurance Company Limited	a (i)	4.29	-
<b>Insurance Premium - Health / Travel Total</b>			<b>4.29</b>	<b>-</b>
Interest Income on Inter Corporate Loans				
	Religare Broking Limited	a (i)	249.32	2.07
	Religare Comtrade Limited	a (i)	-	14.47
<b>Interest Income on Inter Corporate Loans Total</b>			<b>249.32</b>	<b>16.54</b>



Nature of Transactions	Name of the Related Party	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
Support Service Income				
	Religare Commodities Limited	a (ii)	8.49	36.31
	Religare Finvest Limited	a (i)	808.27	1,393.82
	Religare Health Insurance Company Limited	a (i)	221.92	297.10
	Religare Broking Limited	a (i)	433.02	579.64
<b>Support Service Income Total</b>			<b>1,471.70</b>	<b>2,306.87</b>
Interest Income on Debenture (CCD/ NCD)	Religare Comtrade Limited	a (i)	-	342.15
<b>Interest Income on Debenture (CCD/ NCD) Total</b>			<b>-</b>	<b>342.15</b>
Allocation of Expenses	Religare Broking Limited	a (i)	-	17.03
	Religare Commodities Limited	a (ii)	-	0.01
	Religare Finvest Limited	a (i)	37.78	327.87
	Religare Health Insurance Company Limited	a (i)	29.97	3.99
	Religare Housing Development Finance Corporation Limited	a (ii)	1.87	-
<b>Allocation of Expenses Total</b>			<b>69.62</b>	<b>348.89</b>
Rent Expenses				
	Religare Broking Limited	a (i)	0.63	0.60
<b>Rent Expenses Total</b>			<b>0.63</b>	<b>0.60</b>
Purchased of Fixed Asset				
	Religare Finvest Limited	a (i)	0.77	0.79
	Religare Broking Limited	a (i)	23.97	
	Religare Housing Development Finance Corporation Limited	a (ii)	0.11	-
<b>Purchased of Fixed Asset Total</b>			<b>24.85</b>	<b>0.79</b>
Sale of Fixed Asset				
	Religare Finvest Limited	a (i)	0.64	0.15
<b>Sale of Fixed Asset Total</b>			<b>0.64</b>	<b>0.15</b>
Director Sitting Fees				
	Mr. Vikram Talwar	(d)	-	14.00
	Ms. Sabina Vaisoha	(d)	12.00	14.00
	Mr. Malay Kumar Sinha	(d)	23.00	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)	20.20	19.20
	Mrs. Vijayalakshmi Rajaram Iyer	(d)	17.80	29.40
	Ms. Rashmi Saluja	(d)	22.00	5.20
	Mr. Siddharth Dinesh Mehta	(d)	3.00	-
<b>Director Sitting Fees Total</b>			<b>98.00</b>	<b>118.20</b>



Nature of Transactions	Name of the Related Party	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Expense on ICD's taken				
	Religare Comtrade Limited	a (i)	-	1,611.75
	Religare Finvest Limited	a (i)	-	2,021.70
<b>Interest Expense on ICD's taken total</b>			<b>-</b>	<b>3,633.45</b>
Expenses Reimbursement by Other Companies / (Recovery of Expenses)				
	Religare Broking Limited	a (i)	<b>11.06</b>	26.13
	Religare Finvest Limited	a (i)	<b>303.27</b>	131.09
	Religare Commodities Limited	a (ii)	<b>0.01</b>	1.21
	Religare Housing Development Finance Corporation Limited	a (ii)	-	1.07
	Religare Health Insurance Company Limited	a (i)	-	45.55
	Religare Comtrade Limited	a (i)	-	0.01
<b>Expenses Reimbursement by Other Companies Total</b>			<b>314.34</b>	<b>205.06</b>
Depository Expenses	Religare Broking Limited	a (i)	<b>0.05</b>	0.04
<b>Depository Expenses Total</b>			<b>0.05</b>	<b>0.04</b>
Investment in Subsidiaries (ESOP scheme)				
(for ESOP issued to Subsidiaries company employees)*	Religare Finvest Limited*	a (i)	<b>37.03</b>	-
	Religare Housing Development Finance Corporation Limited **	a (ii)	<b>2.76</b>	-
	Religare Broking Limited ***	a (i)	<b>1.64</b>	-
<b>Investment in Subsidiaries (ESOP scheme) Total</b>			<b>41.43</b>	<b>-</b>
Expense Reimbursement to subsidiaries (ESOP scheme)				
(for ESOP issued by Subsidiaries REL employees)	Religare Broking Limited****	a (i)	<b>3.96</b>	-
<b>Expense Reimbursement to subsidiaries (ESOP scheme) Total</b>			<b>3.96</b>	<b>-</b>
Remuneration to Key Managerial Personnel				
	Mr. Krishnan Subramanian	(d)	-	75.00
	Mr. Nitin Aggarwal	(d)	<b>133.39</b>	-
	Dr. Rashmi Saluja	(d)	<b>93.44</b>	-
	Mr. Gurvinder Singh Juneja	(d)	<b>29.30</b>	-
	Mr. Ashish Tyagi	(d)	<b>4.25</b>	-
	Mr. Miliind Patel	(d)	<b>139.89</b>	295.24
<b>Remuneration to Key Managerial Personnel Total</b>			<b>400.28</b>	<b>370.24</b>



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Nature of Transactions	Name of the Related Party	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
ESOP to Key Management Personnel				
	Key Management Personnel*	(d)	6.45	-
<b>ESOP to Key Management Personnel Total</b>			<b>6.45</b>	-
Contribution to Gratuity Trust				
	Religare Enterprises Limited Group -Gratuity Trust	(e)	-	22.62
<b>Contribution to Gratuity Trust Total</b>			<b>-</b>	<b>22.62</b>
Outstanding Balances				
<b>Payable/ Liabilities</b>				
Inter Corporate Loans				
	Religare Comtrade Limited	a (i)	6,905.53	9,496.93
	Religare Finvest Limited	a (i)	18,550.00	18,550.00
<b>Inter Corporate Loans Total</b>			<b>25,455.53</b>	<b>28,046.93</b>
Interest on Inter Corporate Loans				
	Religare Comtrade Limited	a (i)	-	1,606.86
	Religare Finvest Limited	a (i)	-	2,354.68
<b>Interest on Inter Corporate Loans Total</b>			<b>-</b>	<b>3,961.54</b>
Security Deposit Payable	Religare Capital Markets Limited	a (i)	2.30	2.30
	Religare Commodities Limited	a (ii)	621.65	621.65
	Religare Finvest Limited	a (i)	1,178.53	1,178.53
<b>Security Deposit Payable Total</b>			<b>1,802.48</b>	<b>1,802.48</b>
Trade Payables				
	Religare Finvest Limited	a (i)	745.04	211.17
<b>Trade Payable Total</b>			<b>745.04</b>	<b>211.17</b>
Other Financial Liability				
	Religare Broking Limited	a (i)	157.34	1,041.22
<b>Other Financial Liability Total</b>			<b>157.34</b>	<b>1,041.22</b>
<b>Receivable</b>				
Inter Corporate Deposits (ICD)				
	Religare Capital Markets Limited	a (i)	225.00	225.00
	Religare Broking Limited	a (i)	-	-
<b>Inter Corporate Loans (ICD) Total</b>			<b>225.00</b>	<b>225.00</b>
Interest Receivable				
	Religare Capital Market Limited	a (i)	15.26	15.26
<b>Other Receivable Total</b>			<b>15.26</b>	<b>15.26</b>





Nature of Transactions	Name of the Related Party	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
Letter of Comfort/ Guarantee				
	Religare Advisors Limited	a (ii)	250.00	250.00
	Religare Comtrade Limited	a (i)	10,438.66	18,268.12
	Religare Broking Limited	a (i)	12,500.00	5,000.00
Letter of Comfort/ Guarantee			23,188.66	23,518.12
Advance given for Settlement of Corporate Guarantee				
	Religare Capital Market Limited	a (i)	1,326.50	1,326.50
<b>Advance given for Settlement of Corporate Guarantee Total</b>			<b>1,326.50</b>	<b>1,326.50</b>
Other Receivables	Religare Broking Limited	a (i)	13.69	273.48
	Religare Commodities Limited	a (ii)	13.02	21.51
	Religare Comtrade Limited	a (i)	10.35	10.35
	Religare Advisors Limited	a (ii)	-	29.95
	Religare Capital Markets Limited	a (i)	312.43	312.43
	Religare Health Insurance Company Limited	a (i)	9.81	47.33
	Religare Housing Development Finance Corporation Limited	a (ii)	1.03	1.15
<b>Receivables Total</b>			<b>360.33</b>	<b>696.20</b>

- 1) Outstanding Equity and Preference Capital are not shown.
- 2)<sup>#</sup> During the quarter Income tax refund of Rs 204.21 Lakhs received by RBL the same was adjusted against liability payable on account of transfer under the Scheme of Arrangement .
- 3)<sup>##</sup> 1,025,000 shares outstanding as on March 31, 2020 being ESOPs granted to the Key Management Personnel of the Company by the Company.
- 4)<sup>\*</sup> 6,165,000 shares outstanding as on March 31, 2020 being ESOPs granted to the employees of subsidiary company "Religare Finvest Limited" by the Company.
- 5)<sup>\*\*</sup> 360,000 shares outstanding as on March 31, 2020 being ESOPs granted to the employees of subsidiary company "Religare Housing Development Finance Corporation Limited" by the Company.
- 6)<sup>\*\*\*</sup> 625,000 shares outstanding as on March 31, 2020 being ESOPs granted to the employees of subsidiary company "Religare Broking Limited" by the Company.
- 7)<sup>\*\*\*</sup> 3,000,000 shares outstanding as on March 31, 2020 being ESOPs granted to the employees of the Company by subsidiary company "Religare Broking Limited" .



(Amount in Rs. lakhs, unless otherwise stated)

43.1.(c) -Key Management Personnel Compensation as per Ind AS-24

Particulars	RP Type	Year Ended March 31, 2020	Year Ended March 31, 2019
Short Term Employee Benefits	(d)	394.51	370.24
Post -employment benefits	(d)	5.77	-
Long term employee Benefits	(d)	-	-
Termination Benefits	(d)	-	-
Employee Share based payments	(d)	6.45	-
<b>Total</b>		<b>406.73</b>	370.24

44. Other Notes (Relating to RBI)

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. The Company is barred from declaring the dividend as per RBI directive.

(ii) Core Investment Company (CIC) Compliance Ratios:

	As at March 31, 2020	As at March 31, 2019
(a) Investment and Loans to group companies as a proportion to Net Assets (%)	97.2%	98.01%
(b) Investment in Equity Shares and Compulsory Convertible Instruments of group companies as a proportion of Net Assets (%)	97.2%	98.01%
(c) Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weightage Assets] (%)	44.6%	61.1%
(d) Leverage Ratios (Times) [Outside liabilities / Adjusted Net worth] (Times)	1.16	0.33

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.
- (c) Disclosure of details as required by Para 19 of CIC Master Directions 2016:

I. Capital to Risk Weighted Assets Ratio (CRAR)

As mentioned in Note 44 a(i), requirement of maintaining CRAR is not applicable on the company being a CIC.

Items	Year Ended March 31, 2020	Year Ended March 31, 2019
(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)



(Amount in Rs. lakhs, unless otherwise stated)

**II Exposure to Real Estate Sector**

	Category	Year Ended March 31, 2020	Year Ended March 31, 2019
(a)	<b>Direct Exposures</b>		
	(i) Residential Mortgages:-		
	(a) Individuals housing loans upto Rs.15 Lakhs	-	-
	(b) Individuals housing loans more than Rs.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)	-	-

**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*	-	-	25.33	-	25.33
<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*	25,455.53	3,630.67	-	4,190	33,276.48
<b>Assets</b>					
Advances	-	-	-	-	-
Investments (net of provisions)	94.82	628.18	-	205,901.01	206,624.01

\* Market borrowing over 5 years pertains to redeemable preference share (refer note 47 (g))



Notes Forming Part of the Financial Statements  
For the year ended March 31, 2020

(Amount in Rs. lakhs, unless otherwise stated)

d. Disclosures of details as required in terms of Paragraph 21 of CIC Direction:

Liabilities:		Amount Outstanding	Amount Overdue
<b>1) Loans and Advances availed by the CIC inclusive of interest accrued thereon but not paid:</b>			
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	25,480.87	21,824.86
e)	Commercial Paper	-	-
f)	Other Loans (unsecured finance lease)	-	-
	a) Working Capital Loan from Banks	-	-
	b) Interest accrued and not due on Unsecured Loans	12.46	-
Assets:		Amount Outstanding	
<b>2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):</b>			
a)	Secured	-	
b)	Unsecured	1,555.04	
<b>3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>			
i)	Lease assets including lease rentals under sundry debtors:		
	a) Financial Lease	-	
	b) Operating Lease	-	
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	-	
<b>4) Break-up of Investments:</b>			
<b>Current Investments:</b>			
1	Quoted:		
	i) Shares: a) Equity	-	
	b) Preference	-	
	ii) Debentures and Bonds	-	
	iii) Units of mutual funds	-	



Assets:		Amount Outstanding
	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 *	205,901.01
	b) Preference**	-
	ii) Debentures and Bonds	-
	iii) Units of mutual funds	-
	iv) Government Securities	-
	v) Others	723.00

\* Including Partly paid up Equity shares of for Rs. 38,555.00 Lakhs (Face Value of Rs. 15 each out of which Rs. 10 is paid up)

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	-	1,555.04	1,555.04
	<b>Total</b>	-	<b>1,555.04</b>	<b>1,555.04</b>



(Amount in Rs. lakhs, unless otherwise stated)

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category		Break-up or Fair value or NAV	Book Value (Net of Provisions)
1	Related Parties		
	(a) Subsidiaries	205,636.58	205,551.01
	(b) Companies in the same group	22.37	350.00
	(c) Other related parties		
2	Other than related parties	723.00	723.00
	<b>Total</b>	<b>206,381.95</b>	<b>206,624.01</b>

7) Other information		
	Particulars	Amount
(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	-

## 8) Public disclosure on liquidity risk

## (i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	3	25,480.87	-	39.8%

## (ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits)

Sr. No	Name	Amount	% of Total deposits
1	NA	NA	-

## (iii) Top 10 borrowings (amount in Rs. Lakhs and % of total borrowings)

Sr. No	Name	Amount	% of Total deposits
1	Religare Finvest Limited	18,550.00	72.80%
2	Religare Comtrade Limited	6,905.53	27.10%
3	Honey Dews	25.33	0.10%
	<b>Total</b>	<b>25,480.86</b>	

Note - Liability portion of redeemable preference shares not considered as borrowing for this disclosure.



(Amount in Rs. lakhs, unless otherwise stated)

## (iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Inter Corporate Loans	25,480.86	39.8%
	<b>Total</b>	<b>25,480.86</b>	

## (v) Stock Ratios:

(a) Commercial papers as a % of total public funds ,total liabilities and total assets

Sr No	Commercial papers ( Amount)	% Total Public Funds	% Total Liabilities	% Total Assets
1	NA	NA	NA	NA

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets

Sr No	Non Convertible Debenture ( Amount)	% Total Public Funds	% Total Liabilities	% Total Assets
1	NA	NA	NA	NA

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

Sr No	Other Short Term Liabilities	Amount	% Total Public Funds	% Total Liabilities	% Total Assets
1	Liabilities other than borrowing (Sundry creditors , provisions and Other financial Liabilities)	16,732.60	66%	26.1%	7.8%

## (vi) Institutional set-up for liquidity risk management

The Company has borrowing from group companies but does not have bank borrowings or deposits. The Company manages its liquidity risk based on the asset liability management policy which includes liquidity risk management and incorporates the principles laid down by RBI in the liquidity risk management framework of NBFC.

## 45. Joint Venture as required by IND AS-112 - " Disclosure of Interest in Other Entities" are given below:

Name	Description of Interest	% of Interest	
		March 2020	March 2019
IBOF Investment Management Private Limited	Equity Shareholding	50.00%	50.00%

## Company's Interest in Joint Ventures

Particulars	As at March 31, 2020	As at March 31, 2019
Assets	29.80	38.77
Liabilities	7.43	3.26
Revenue	1.35	2.23
Depreciation	0.08	0.25
Other Expenses	15.58	9.73
Capital Commitments	-	-
Contingent Liabilities	-	-



(Amount in Rs. lakhs, unless otherwise stated)

46. Loans and advances in the nature of loans to subsidiaries and associates

Particulars	As at March 31, 2020		As at March 31, 2019	
	Outstanding Balance	Maximum amount outstanding at any time during the year	Outstanding Balance	Maximum amount outstanding at any time during the year
Religare Comtrade Limited	-	-	-	269.00
Religare Capital Markets Limited	1,551.50	1,551.50	1,553.25	1,553.42
Religare Broking Limited	-	5,600.00	-	35.00

47. Other Notes

a) During the year ended March 31, 2020, no provision for income tax has been made considering the losses incurred during the year.

b) '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.

c) In the matter of on going investigation of the Company initiated by SEBI in February 2018, SEBI vide order No. WTM/GM/IVD/100/2018-2019 dated March 14, 2019 passed an ad interim ex-parte order read with corrigendum dated April 18, 2019 (together referred to as 'Interim Order') and issued various directions in the aforesaid order.

Further, in the same matter, SEBI vide order No. WTM/GM/IVD/34/2019-20 dated September 11, 2019, mentioned that the detailed investigation in the matter is still in progress which is supposed to reveal all the layers of the alleged fraud as well as expose the specific role of each entity.

In view of the foregoing, in order to protect the interest of the investors and the integrity of the securities market, in exercise of the powers conferred by virtue of Section 19 read with sections 11(1), 11(4)(d) and 11B of the SEBI Act, 1992, SEBI confirmed the directions issued vide the Interim Order, and inter-alia, issued following directions:

(i) REL and RFL (i.e. Notice nos. 1 and 2) shall continue with the steps to recall the loans, amounting to Rs. 2,065.09 Crores (approx.), extended, either directly or indirectly, from RFL to various entities / persons as mentioned in the Order, along with due interest.

(ii) The Notice nos. 5 to 17 and 19 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.

(iii) The directions contained in para 10(ii) of the Interim Order in respect of the Notice no. 4 (Bharat Road Network Limited) and the Notice no. 18 (Religare Comtrade Limited) stand revoked.

(iv) The Notice 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 matter is still in progress.





- d) 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 Rs. 4,190.28 Lakhs ) and disputed the liability stating the transaction to be an illegal one. In pursuance to Delhi high Court Order, REL has also filed criminal complaint with Economic Offence Wing dated 22.03.2019 vide diary no. D-1872 OF 2019 against MMS, SMS, SG and entities to whom REL issued preference shares in 2008 and 2016. These shares were issued and redeemed illegally without following the due process of law and without regulatory compliances.

However, the Company has obtained a legal opinion based on which adhoc provision of Rs. 673.99 Lakhs has been considered.

- e) The Company although has equity shares in Religare Capital Markets Limited (“RCML”), however the right to exercise control through voting rights is not available with the Company. Besides this , in terms of the tripartite agreement between the Company, RCML 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 holders 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 investments made by it in RCML in previous years. The net worth of RCML as per last audited financial statement as on March 31, 2017 was Rs. (61,971.95) Lakhs.
- f) Subsequent to the balance sheet date , the Company has divested part of its investment in Religare Health Insurance Company Limited (‘RHICL’), a subsidiary company on June 02, 2020 for a consideration of Rs. 200 Crores to M/s. Trishikhar Ventures LLP, subsidiary of M/s. Kedaara Capital Fund II LLP LLP (jointly referred as ‘Kedaara’). The total investment made by Kedaara to acquire shares of RHICL is Rs. 567.31 Crores which comprises of primary capital infusion of Rs. 300 Crores in RHICL and Rs. 267.31 Crores for the purchase of RHICL shares from existing shareholders of RHICL, including purchase of 6.39% stake from the Company against a consideration of Rs. 200 Crores.
- g) On December 18, 2019, the Board of Directors of the Company approved, subject to requisite approvals, the draft Scheme of Amalgamation (“Scheme”) that is designed to simplify the Group corporate structure. In terms of the Scheme, four (4) direct/indirect wholly owned subsidiaries of the Company namely, Religare Comtrade Limited, Religare Insurance Limited, Religare Advisors Limited and Religare Business Solutions Limited will merge with/into the Company subject to terms and conditions as provided in the Scheme. The Scheme shall be submitted with the Hon’ble NCLT in due course of time.

Further, the earlier Scheme approved by the Board on May 23, 2019 was withdrawn accordingly.

- h) 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, U/s 197(9) of the Companies Act, 2013, the Company has sent notices for refund the remuneration of Rs. 82.61 Lakhs and Rs. 4.36 Lakhs paid to them respectively. They have not refunded the amount till date. The Company has submitted an Complaint/Application with the ROC, Delhi for Adjudication of Penalty under Section 454 of the Companies Act, 2013 in September 2019 to recover the amount. However, no reply has been received from the ROC in the matter till date. The recovery will be accounted on realisation.



**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. 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 2019-20.

**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**

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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/-  
**RASHMI SALUJA**  
Executive Chairperson  
DIN- 01715298

Sd/-  
**NITIN AGGARWAL**  
Group - CFO

**For and on behalf of the Board of Directors**

Sd/-  
**SUSHIL CHANDRA TRIPATHI**  
Director  
DIN-00941922

Sd/-  
**REENA JAYARA**  
Company Secretary  
Membership No. A19122

Place: New Delhi

Date : July 28, 2020



## Religare Enterprises Limited

CIN No. : L74899DL1984PLC146935

### Registered Office:

1st Floor, P-14, 45/90, P-Block,  
Connaught Place, New Delhi – 110001

Phone No. : 91-11-46272400

### Corporate Office:

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