

**July 28, 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: Outcome of Board Meeting of Religare Enterprises Limited (“the Company”)**

Dear Sir(s),

We would like to inform you that the Board of Directors of the Company at their meeting held today i.e. July 28, 2020, (started at 1:00 P.M. and concluded at 7.50 P.M.) has *inter-alia* approved the Audited Standalone & Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020. A copy of the Standalone & Consolidated Audited Financial Results along with Audit Reports is enclosed herewith.

We hereby confirm that the Auditors have issued the Audit Report on Standalone Financial Results with an un-modified opinion.

Audit Report on Consolidated Financial Results is with modified opinion. Statement on Impact of Audit Qualifications for Audit Report issued on Consolidated Financial Result is also enclosed herewith.

This is for your kind information and record.

Thanking you,  
Yours truly,

**For Religare Enterprises Limited**

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



Encl: as above

**RELIGARE ENTERPRISES LIMITED**  
 Regd. Office : 1st Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi -110001  
**Statement of Standalone and Consolidated Audited Financial Results for the Quarter and Year Ended March 31, 2020**

		(Rs. in Lakhs, unless otherwise stated)									
Sr No	Particulars	Standalone Results					Consolidated Results				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Revenue</b>										
	(a) Revenue from Operations										
	Interest Income	111.56	139.62	-	251.18	358.69	14,052.30	13,917.59	15,800.24	63,432.29	93,162.32
	Dividend Income	-	-	-	-	-	-	-	-	5.22	5.22
	Fee and Commission Income	-	-	-	-	-	321.89	756.85	1,634.80	3,404.82	5,943.13
	Net Gain on Fair Value Changes	-	-	-	-	-	113.93	43.27	-	-	-
	Sale of Services	-	-	-	-	-	4,242.09	4,080.04	3,133.55	16,807.03	19,623.77
	Other Revenue From Operations	2.57	18.77	-	21.34	13.53	44,997.19	38,425.68	32,063.40	1,51,886.62	1,09,971.23
	<b>Total Revenue from Operations</b>	<b>114.13</b>	<b>158.39</b>	<b>-</b>	<b>272.52</b>	<b>372.22</b>	<b>63,727.40</b>	<b>57,223.43</b>	<b>52,631.99</b>	<b>2,35,535.98</b>	<b>2,28,705.67</b>
	(b) Other Income	4,649.26	204.73	552.86	5,786.42	3,144.35	1,041.16	889.76	237.25	4,211.87	9,395.43
	<b>Total Revenue (a+b)</b>	<b>4,763.39</b>	<b>363.12</b>	<b>552.86</b>	<b>6,058.94</b>	<b>3,516.57</b>	<b>64,768.56</b>	<b>58,113.19</b>	<b>52,869.24</b>	<b>2,39,747.85</b>	<b>2,38,101.10</b>
2	<b>Expenses</b>										
	(a) Finance Costs	90.52	107.79	500.92	603.06	4,470.22	29,724.73	14,216.03	15,804.68	84,926.11	84,998.16
	(b) Fee and Commission Expenses	-	-	-	-	-	1,292.25	1,083.59	1,186.21	4,598.73	5,243.51
	(c) Net Loss on Fair Value Changes	-	-	-	-	-	8.91	-	220.09	137.50	248.40
	(d) Impairment and Loss Allowances on Financial Instruments	3,511.15	-	9,934.24	12,036.73	9,934.24	19,629.63	17,862.25	36,802.34	37,423.69	1,39,055.29
	(e) Expense toward Capital Commitment	244.85	-	-	894.85	-	244.85	-	-	894.85	-
	(f) Employee Benefits Expense	553.14	308.13	279.93	1,485.10	1,279.83	14,051.33	14,914.05	14,062.64	54,554.94	51,762.86
	(g) Depreciation and Amortisation Expense	15.15	14.39	17.94	63.47	85.42	1,345.84	1,528.27	609.99	6,084.35	2,573.14
	(h) Other Expenses	2,956.82	713.50	406.91	4,992.06	2,358.08	40,120.87	35,132.89	24,469.59	1,37,125.11	1,04,564.00
	<b>Total Expenses (a to h)</b>	<b>7,371.63</b>	<b>1,143.81</b>	<b>11,139.94</b>	<b>20,075.27</b>	<b>18,127.79</b>	<b>1,06,418.41</b>	<b>84,737.08</b>	<b>93,155.54</b>	<b>3,25,746.28</b>	<b>3,88,445.36</b>
3	<b>Profit/ (Loss) Before Exceptional Items and Tax (1-2)</b>	<b>(2,608.24)</b>	<b>(780.69)</b>	<b>(10,587.08)</b>	<b>(14,016.33)</b>	<b>(14,611.22)</b>	<b>(41,649.85)</b>	<b>(26,623.89)</b>	<b>(40,286.30)</b>	<b>(85,998.43)</b>	<b>(1,50,344.26)</b>
4	<b>Exceptional Items</b>										
	Liability toward Capital Commitment	-	-	-	17,000.00	-	-	-	-	17,000.00	-
	Share in Profit / (Loss) of Joint Ventures	-	-	-	-	-	(7.85)	(2.06)	(3.58)	(13.14)	(8.96)
5	<b>Profit / (Loss) Before Tax and Extraordinary Items (3-4)</b>	<b>(2,608.24)</b>	<b>(780.69)</b>	<b>(10,587.08)</b>	<b>(31,016.33)</b>	<b>(14,611.22)</b>	<b>(41,657.70)</b>	<b>(26,625.95)</b>	<b>(40,289.88)</b>	<b>(1,03,011.57)</b>	<b>(1,50,353.22)</b>
6	<b>Tax Expense</b>										
	Current Tax	-	-	-	-	-	(38.04)	91.00	(98.70)	299.91	429.98
	Deferred Tax (Net)	-	-	-	-	-	(35.45)	216.32	(607.96)	486.08	(688.14)
7	<b>Net Profit / (Loss) After Tax before extraordinary items (5-6)</b>	<b>(2,608.24)</b>	<b>(780.69)</b>	<b>(10,587.08)</b>	<b>(31,016.33)</b>	<b>(14,611.22)</b>	<b>(41,584.21)</b>	<b>(26,933.27)</b>	<b>(39,583.22)</b>	<b>(1,03,797.56)</b>	<b>(1,50,095.06)</b>
8	<b>Extraordinary Items (Net of Tax)</b>	-	-	-	-	-	-	-	-	-	-
9	<b>Net Profit/ (Loss) for the period (7 - 8)</b>	<b>(2,608.24)</b>	<b>(780.69)</b>	<b>(10,587.08)</b>	<b>(31,016.33)</b>	<b>(14,611.22)</b>	<b>(41,584.21)</b>	<b>(26,933.27)</b>	<b>(39,583.22)</b>	<b>(1,03,797.56)</b>	<b>(1,50,095.06)</b>
10	<b>Other Comprehensive Income</b>										
	A) (i) Items that will not be reclassified to profit or loss										
	Remeasurement Gain/(Loss) on Defined Benefit Plans	(4.36)	(6.57)	11.17	(51.50)	16.19	(594.16)	(178.78)	(107.72)	(861.94)	(41.05)
	Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI	-	-	-	-	-	113.14	5.02	124.12	101.35	104.06
	B) (i) Items that will be reclassified to profit or loss										
	Net Gain / (Loss) on Debt Securities FVTOCI	-	-	-	-	-	802.89	323.10	545.66	2,152.57	332.33
	Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(8.23)	-	-	(8.23)	-
11	<b>Total Comprehensive Income for the Period, Net of Tax (9+10)</b>	<b>(2,612.50)</b>	<b>(787.26)</b>	<b>(10,575.91)</b>	<b>(31,067.83)</b>	<b>(14,595.03)</b>	<b>(41,270.57)</b>	<b>(26,783.93)</b>	<b>(39,021.16)</b>	<b>(1,02,413.81)</b>	<b>(1,49,699.72)</b>



11(a)	<b>Profit/(Loss) for the Period attributable to:</b>										
	Non Controlling Interest	-	-	-	-	-	(556.63)	(3,660.85)	(4,441.12)	(10,550.61)	(21,378.41)
	Owners of the Company	-	-	-	-	-	(41,027.58)	(23,272.42)	(35,142.10)	(93,246.95)	(1,28,716.65)
		-	-	-	-	-	(41,584.21)	(26,933.27)	(39,583.22)	(1,03,797.56)	(1,50,095.06)
11(b)	<b>Other Comprehensive Income attributable to:</b>										
	Non Controlling Interest	-	-	-	-	-	92.40	3.36	(20.53)	193.17	30.55
	Owners of the Company	-	-	-	-	-	221.24	145.98	582.59	1,190.58	364.79
		-	-	-	-	-	313.64	149.34	562.06	1,383.75	395.34
11(c)	<b>Total Comprehensive Income attributable to:</b>										
	Non Controlling Interest	-	-	-	-	-	(464.24)	(3,657.48)	(4,461.65)	(10,357.44)	(21,347.86)
	Owners of the Company	-	-	-	-	-	(40,806.33)	(23,126.45)	(34,559.51)	(92,056.37)	(1,28,351.86)
		-	-	-	-	-	(41,270.57)	(26,783.93)	(39,021.16)	(1,02,413.81)	(1,49,699.72)
12	<b>Paid-up Equity Share Capital</b> (Face Value of equity share Rs. 10 each)	25,812.82	25,812.82	21,694.27	25,812.82	21,694.27	25,812.82	25,812.82	21,694.27	25,812.82	21,694.27
13	<b>Other Equity (Excluding Revaluation Reserve) as shown in the Audited Balance Sheet</b>	N.A.	N.A.	N.A.	1,25,246.09	1,44,221.02	N.A.	N.A.	N.A.	(15,711.23)	61,610.68
14	<b>Earnings Per Share ("EPS") before and after extraordinary items of ₹ 10 each fully paid up (not annualised)</b>										
	(a) Basic EPS (Rs.)	(1.01)	(0.58)	(4.88)	(13.16)	(6.93)	(15.89)	(9.27)	(18.27)	(39.55)	(63.32)
	(b) Diluted EPS (Rs.)	(1.01)	(0.58)	(4.88)	(13.16)	(6.93)	(15.95)	(9.27)	(18.27)	(39.62)	(63.32)



B Audited Segment-wise Revenue, Results, Assets & Liabilities for Standalone and Consolidated Results for Quarter & Year Ended March 31, 2020

(Rs. in Lakhs, unless otherwise stated)

S. No.	Particulars	Standalone Results					Consolidated Results				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>SEGMENT REVENUE</b>										
	(a) Investment and Financing Activities	4,074.88	163.05	18.53	4,248.97	473.70	11,267.78	11,097.14	12,117.18	51,424.03	89,715.85
	(b) Support Services	687.78	199.98	537.03	1,663.19	2,335.12	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	5,047.84	4,547.27	4,182.03	19,567.27	23,288.20
	(d) Financial Advisory Services	-	-	-	-	-	47.56	1.13	25.41	62.07	116.03
	(e) E-Governance	-	-	-	-	-	453.19	489.07	726.84	2,015.50	2,399.59
	(f) Insurance	-	-	-	-	-	48,106.39	41,830.09	35,815.54	1,65,430.69	1,22,246.97
	(g) Unallocated	0.73	0.09	(2.69)	146.78	707.75	221.97	431.93	130.64	2,427.71	858.99
	<b>Total</b>	<b>4,763.39</b>	<b>363.12</b>	<b>552.87</b>	<b>6,058.94</b>	<b>3,516.57</b>	<b>65,144.73</b>	<b>58,396.63</b>	<b>52,997.64</b>	<b>2,40,927.27</b>	<b>2,38,625.63</b>
	Less: Inter-Segment Revenue	-	-	-	-	-	(376.17)	(283.44)	(128.40)	(1,179.42)	(524.53)
	<b>Income from Operations</b>	<b>4,763.39</b>	<b>363.12</b>	<b>552.87</b>	<b>6,058.94</b>	<b>3,516.57</b>	<b>64,768.56</b>	<b>58,113.19</b>	<b>52,869.24</b>	<b>2,39,747.85</b>	<b>2,38,101.10</b>
2	<b>SEGMENT RESULTS</b>										
	<b>Profit/ (Loss) Before Tax from Segment</b>										
	(a) Investment and Financing Activities	(4,962.45)	(337.79)	(10,441.72)	(31,498.26)	(14,580.97)	(46,518.32)	(26,363.94)	(41,696.45)	(1,08,802.89)	(1,51,088.78)
	(b) Support Services	2,353.48	(442.99)	(142.67)	335.15	(737.99)	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	2.63	(616.22)	128.56	(2,906.02)	(2,256.43)
	(d) Financial Advisory Services	-	-	-	-	-	3.02	(2.95)	(8.39)	(4.94)	(8.37)
	(e) E-Governance	-	-	-	-	-	67.34	109.15	250.76	406.67	658.43
	(f) Insurance	-	-	-	-	-	3,686.02	264.55	2,161.27	6,815.65	5,682.27
	(g) Unallocated	0.73	0.09	(2.69)	146.78	707.74	1,102.10	(16.54)	(1,109.17)	1,480.45	(3,307.46)
	<b>Total</b>	<b>(2,608.24)</b>	<b>(780.69)</b>	<b>(10,587.08)</b>	<b>(31,016.33)</b>	<b>(14,611.22)</b>	<b>(41,657.21)</b>	<b>(26,625.95)</b>	<b>(40,273.42)</b>	<b>(1,03,011.08)</b>	<b>(1,50,320.34)</b>
	Less: Interest Expense	-	-	-	-	-	0.49	-	16.46	0.49	32.88
	Tax Expense	-	-	-	-	-	(73.49)	307.32	(706.66)	785.99	(258.16)
	Other Comprehensive Income	(4.36)	(6.57)	11.17	(51.50)	16.19	313.64	149.34	562.06	1,383.75	395.34
	<b>Total Profit / (Loss) After Tax</b>	<b>(2,612.60)</b>	<b>(787.26)</b>	<b>(10,575.91)</b>	<b>(31,067.83)</b>	<b>(14,595.03)</b>	<b>(41,270.57)</b>	<b>(26,783.93)</b>	<b>(39,021.16)</b>	<b>(1,02,413.81)</b>	<b>(1,49,699.72)</b>
3	<b>SEGMENT ASSETS</b>										
	(a) Investment and Financing Activities	2,09,276.50	2,11,669.50	2,11,703.63	2,09,276.50	2,11,703.63	4,41,466.53	5,11,129.38	6,34,618.80	4,41,466.53	6,34,618.80
	(b) Support Services	454.94	1,829.83	2,436.27	454.94	2,436.27	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	52,341.37	60,171.41	69,739.96	52,341.37	69,739.96
	(d) Financial Advisory Services	-	-	-	-	-	144.25	162.13	182.36	144.25	182.36
	(e) E-Governance	-	-	-	-	-	1,527.50	1,446.73	1,534.82	1,527.50	1,534.82
	(f) Insurance	-	-	-	-	-	2,05,360.04	1,88,510.63	1,56,916.70	2,05,360.04	1,56,916.70
	(g) Unallocated	5,374.99	6,526.92	7,058.80	5,374.99	7,058.80	1,12,178.17	1,44,759.86	94,277.13	1,12,178.17	94,277.13
	<b>Total Segment Assets</b>	<b>2,15,106.43</b>	<b>2,20,025.75</b>	<b>2,21,198.70</b>	<b>2,15,106.43</b>	<b>2,21,198.70</b>	<b>8,13,017.86</b>	<b>9,06,180.14</b>	<b>9,57,269.77</b>	<b>8,13,017.86</b>	<b>9,57,269.77</b>
4	<b>SEGMENT LIABILITIES</b>										
	(a) Investment and Financing Activities	46,072.42	49,291.66	51,882.92	46,072.42	51,882.92	6,05,649.46	6,61,688.89	6,93,045.51	6,05,649.46	6,93,045.51
	(b) Support Services	17,811.85	16,699.34	3,277.16	17,811.85	3,277.16	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	41,314.80	44,951.71	59,974.55	41,314.80	59,974.55
	(d) Financial Advisory Services	-	-	-	-	-	56.42	77.32	89.27	56.42	89.27
	(e) E-Governance	-	-	-	-	-	1,517.39	1,435.05	1,527.66	1,517.39	1,527.66
	(f) Insurance	-	-	-	-	-	1,50,725.48	1,38,316.98	1,16,800.27	1,50,725.48	1,16,800.27
	(g) Unallocated	163.25	380.31	123.33	163.25	123.33	3,652.72	8,231.01	2,527.56	3,652.72	2,527.56
	<b>Total Segment Liabilities</b>	<b>64,047.52</b>	<b>66,371.31</b>	<b>55,283.41</b>	<b>64,047.52</b>	<b>55,283.41</b>	<b>8,02,916.27</b>	<b>8,54,700.96</b>	<b>8,73,964.82</b>	<b>8,02,916.27</b>	<b>8,73,964.82</b>

The Company has reported segment information as per IND AS 108 "Operating Segment" read with SEBI circular July 05, 2016. The identification of segment is consistent with performance assessment and resource allocation by management.



C Disclosure of Standalone & Consolidated Assets and Liabilities as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as at March 31, 2020:

Particulars		(Rs. in Lakhs, unless otherwise stated)			
		Standalone		Consolidated	
		Year Ended March 31, 2020 (Audited)	Year Ended March 31, 2019 (Audited)	Year Ended March 31, 2020 (Audited)	Year Ended March 31, 2019 (Audited)
<b>A</b>	<b>Assets</b>				
1	<b>Financial assets</b>				
	(a) Cash and cash equivalents	71.13	344.51	37,240.19	17,200.33
	(b) Bank Balance other than above	5.40	4.40	1,08,213.62	1,12,110.26
	(c) Receivables	-	-	-	-
	- Trade Receivables	-	-	9,380.06	34,630.13
	- Other Receivables	-	-	-	-
	(d) Loans	-	-	3,10,519.10	5,05,559.77
	(e) Investments	2,06,624.01	2,11,209.41	2,02,305.92	1,43,775.10
	(f) Other financial assets	1,548.86	2,344.02	22,596.38	19,968.13
	<b>Sub-total Financial assets</b>	<b>2,08,249.40</b>	<b>2,13,902.34</b>	<b>6,90,255.27</b>	<b>8,33,243.72</b>
2	<b>Non-Financial assets</b>				
	(a) Inventories	-	-	46.54	9.67
	(b) Current tax assets (net)	5,203.40	5,472.11	28,267.42	32,750.35
	(c) Deferred tax assets (net)	171.59	173.56	51,959.19	52,393.00
	(d) Property, plant and equipment	228.48	108.64	12,522.75	2,857.17
	(e) Goodwill	-	-	972.04	972.04
	(f) Intangible assets	9.57	39.04	4,002.08	4,448.50
	(g) Capital Work-in-Progress	-	-	-	67.50
	(h) Intangible Assets Under Development	-	-	1,323.82	1,318.75
	(i) Other Non Financial Assets	1,243.99	1,503.01	23,668.75	29,209.07
	<b>Sub-total Non-Financial assets</b>	<b>6,857.03</b>	<b>7,296.36</b>	<b>1,22,762.59</b>	<b>1,24,026.05</b>
	<b>Total Assets</b>	<b>2,15,106.43</b>	<b>2,21,198.70</b>	<b>8,13,017.86</b>	<b>9,57,269.77</b>
<b>B</b>	<b>Liabilities and Equity</b>				
1	<b>Liabilities</b>				
	<b>Financial liabilities</b>				
	(a) Trade payables	-	-	2.07	47.03
	Total outstanding dues to micro enterprises and small enterprises	-	-	-	-
	Total outstanding dues to creditors other than micro enterprises and small enterprises	1,771.74	1,003.35	29,219.85	28,437.16
	(b) Other payables	-	-	-	-
	Total outstanding dues to micro enterprises and small enterprises	-	-	-	-
	Total outstanding dues to creditors other than micro enterprises and small enterprises	-	-	16,638.93	14,053.94
	(c) Borrowings (Other than debt securities)	33,301.81	38,058.74	4,79,156.55	6,15,212.44
	(d) Subordinated Liabilities	-	-	56,474.70	56,442.57
	(e) Other financial liabilities	28,673.82	16,029.14	1,12,557.88	56,542.70
	<b>Sub-total Financial liabilities</b>	<b>63,747.37</b>	<b>55,091.23</b>	<b>6,94,049.98</b>	<b>7,70,735.84</b>
2	<b>Non-financial liabilities</b>				
	(a) Provisions	136.89	68.85	2,299.31	1,514.90
	(b) Other non-financial liabilities	163.26	123.33	97,238.95	79,795.16
	<b>Sub-total Non Financial liabilities</b>	<b>300.15</b>	<b>192.18</b>	<b>99,538.26</b>	<b>81,310.06</b>
3	<b>Equity</b>				
	(a) Equity Share Capital	25,812.82	21,694.27	25,812.82	21,694.27
	(b) Other equity	1,25,246.09	1,44,221.02	(15,711.23)	61,610.68
	<b>Equity Attributable to Owners of the Company</b>	<b>1,51,058.91</b>	<b>1,65,915.29</b>	<b>10,101.59</b>	<b>83,304.95</b>
	Non Controlling Interest	-	-	9,328.03	21,918.92
	<b>Sub-total Equity</b>	<b>1,51,058.91</b>	<b>1,65,915.29</b>	<b>19,429.62</b>	<b>1,05,223.87</b>
	<b>Total-Liabilities and Equity</b>	<b>2,15,106.43</b>	<b>2,21,198.70</b>	<b>8,13,017.86</b>	<b>9,57,269.77</b>



D.1 Disclosure of Standalone Cash Flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020:

(Rs. in Lakhs, unless otherwise stated)

	Particulars	March 31, 2020	March 31, 2019
		Audited	Audited
A	<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	-
	Provision Write back	(3,988.48)	-
	Investment written off (AIF)	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 toward Capital Commitment	17,894.85	-
	Expense toward Contingency	673.99	-
	Gain on fair valuation of Mutual fund, venture capital fund and alternative investment funds	147.60	6.37
	Impact on account of amortisation of Financial Guarantee	-	-
	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 Assets	633.87	1,552.86
	- (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>(1,038.54)</b>	<b>(3,090.63)</b>
	- Taxes (Paid) / Refunds (Net)	330.74	538.17
	<b>Net Cash Generated From / (Used) in Operating Activities</b>	<b>(707.80)</b>	<b>(2,552.46)</b>



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	13.36
	<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)	145.96	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	-	2.58
	Purchase of RFL's Share from Jacob & Resurgence	(4,705.15)	-
	Settlement amount paid to Jacob & Resurgence	(894.85)	-
	Payment for settlement of Axis bank	(1,700.00)	-
	Changes in bank balances other than cash and cash equivalent	-	48.01
	<b>Net Cash Generated From/ (Used in) Investing Activities</b>	<b>(10,301.01)</b>	<b>(8,625.30)</b>
C	<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
	Balances with Scheduled Banks in Fixed Deposit	-	-
	<b>TOTAL</b>	<b>71.13</b>	<b>344.51</b>



D.2 Disclosure of Consolidated Cash Flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020:			
Particulars	For the Year Ended March	For the Year Ended	
	31, 2020	March 31, 2019	
	(Audited)	(Audited)	
<b>A</b>			
<b>Cash Flow From Operating Activities:</b>			
Profit / (Loss) Before Tax	(1,03,011.57)	(1,50,353.22)	
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	1,23,878.15	
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	1,88,421.55	2,75,199.44	
- (Increase)/Decrease in Other Financial Assets	(3,268.31)	(2,883.84)	
- (Increase)/Decrease in Inventories	(36.87)	(5.62)	
- (Increase)/Decrease in Other Non-Financial Assets	3,020.97	8,145.15	
- Increase/(Decrease) in Trade and Other Payables	3,322.72	2,502.25	
- Increase/(Decrease) in Other Financial Liabilities	(1,472.21)	3,666.21	
- Increase/(Decrease) in Other Non-Financial Liabilities	17,443.79	15,125.31	
<b>Cash Used/ generated in/ from operations before taxes</b>	<b>2,39,148.91</b>	<b>3,58,020.35</b>	
- Taxes Refunded / (Paid) (Net)	4,130.75	(2,549.54)	
<b>Net Cash Generated / (Used) from / in Operating Activities</b>	<b>2,43,279.66</b>	<b>3,55,470.81</b>	





<b>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	(1,59,228.82)	(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>
<b>C</b>	<b>Cash Flow From Financing Activities:</b>		
	Proceeds from fresh issue of Equity Share Capital (including securities premium) (Net)	16,155.00	20,128.96
	Money Received Against Share Warrants	-	9,546.11
	<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	(1,09,756.24)	(2,74,649.91)
	- 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>(1,74,344.11)</b>	<b>(3,81,905.85)</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>25,361.98</b>	<b>(29,520.02)</b>
	Add: Cash and Cash Equivalents at the beginning of the Year	11,872.85	41,392.87
	Add: Effect of Exchange difference on Translation of Foreign Currency Cash & Cash Equivalents	5.36	-
	<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</b>		
	Cash in Hand	4.03	2.32
	Cheques on Hand	122.15	291.08
	Stamp Papers On Hand	25.21	22.52
	Balances with Banks in Current Accounts	36,892.80	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>



**Notes:**

- In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the audited standalone and consolidated results for the quarter and year ended March 31, 2020 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors (the "Board") of the Company at its meeting held on July 28, 2020. Figures of standalone and consolidated financial results for the quarter ended March 31, 2020 are balancing figures between the audited financials of Year ended March 31, 2020 and published year to date figures for the Nine Months ended December 31, 2019 which were subjected to Limited review.
- The Group has adopted IND AS 116, "Leases" effective April 01, 2019 as notified by Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard) Amendment Rules, 2019, using the modified retrospective method. The adoption of this Standard did not have any material impact on the profit for the quarter and year ended March 31, 2020.
- 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.
- The Registered office of the Company has been changed to 1st Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi -110001" with effect from May 13, 2020.
- 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 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 these consolidated financial results, especially for determining the impairment allowance of Rs. 3819.19 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. Religare Health Insurance Company Limited (RHICL), 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, the company has created an additional provision of Rs 2445.62 Lakhs towards premium deficiency, based on the review conducted and as advised by its Appointed Actuary, which is also in terms of RHICL 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. 6438.80 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 the impacts are 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.

- The Company has not raised any funds through the public issue, rights issue or preferential issue during the quarter ended March 31, 2020, therefore the statement prescribed in terms of SEBI Circular CIR/CFD/CMD1/162/2019 dated December 24, 2019 is not applicable for the quarter.

Further, the Company had fully utilized the funds received from the conversion of warrants during the previous quarter as per the objects stated in the Explanatory Statement to the Notice dated February 19, 2018 sent to shareholders of the Company for issuance of warrants.

- During the quarter and year ended March 31, 2020 the Company has made the following investments (including Equity Share Capital/ Preference Share Capital) in subsidiaries, joint ventures and associates:

Name of the Company	(Rs in Lakhs)	
	For Quarter ended March 31, 2020	For Year ended March 31, 2020
Religare Finvest Limited	4,705.15	4,705.15
Religare Health Insurance Company Limited	-	3,012.39
<b>Total</b>	<b>4,705.15</b>	<b>7,717.54</b>

- 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 Dec'19.
- i) 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.



(ii) The Company has given letter of comfort to the Religare Comtrade Limited ("RCTL"), a wholly owned sub-subsidiary of the Company, in FY 2018 which was cancelled and new letter of comfort dated May 15, 2020 was issued after approval in the Board meeting Feb 12, 2020 of the Company to provide financial support to RCTL for repayment of all its outstanding dues including interest component thereon relating to these ICDs and NCDs issued by RCTL. The Company has booked a financial liability of ₹ 8,869 Lakhs in FY 2017-18 and in current financial year 2019-20 additional financial liability of Rs 1,569.66 lakhs has been booked equivalent to negative networth of RCTL, against letter of comfort issued in favor of RCTL.

- 10 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" 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.
- 11 The Company has divested part of its investment in Religare Health Insurance Company Limited ("RHICL"), a subsidiary company on June 02, 2020 to M/s. Trishikhar Ventures LLP, subsidiary of M/s. Kedaara Capital Fund II LLP (jointly referred as "Kedaara"). The total investment made by Kedaara to acquire shares of RHICL is Rs. 567.31 cr. which comprises of primary capital infusion of Rs. 300 cr. in RHICL and Rs. 267.31 cr 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 cr. Pursuant to these transactions, the shareholding of the Company in RHICL stands at 72.02% on a paid up capital basis
- 12 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. 2,581,281,520/- divided into 258,128,152 equity shares of Rs. 10/- each to Rs. 2,588,439,020/- divided into 258,843,902 equity shares of Rs. 10/- each.
- 13 RFL has an exposure of Rs. 203,670 Lakhs as per financials as at March 31, 2019 towards the Corporate Loan Book. RBI has raised concerns in the past about the credit worthiness of the borrowers, credit appraisal and loan sanctioning mechanism followed by RFL in respect of this book. 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 and Kolkata against the Borrowers forming a part of the Corporate Loan Book. The Company, RFL and Religare Comtrade Limited (RCTL) have filed petitions in Hon'ble NCLT for recovery of corporate loans. Hon'ble SC has stayed these proceedings in a hearing of the matter of Daiichi Sankyo Company Limited vs Oscar Investments limited. The Company, RFL and RCTL have filed application for vacating the stay and the order is reserved in the case.
- 14 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 also lodged an enforcement case under the Prevention of Money Laundering Act. The ED has filed its charge sheet on Jan 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 multiple sections of Indian Penal Code and PMLA Act.
- 15 W.r.t. 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 its stand to Mr. Shivinder Mohan Singh vide its response dated July 24, 2020.
- 16 The Company has entered into a Share Purchase Agreement (SPA) on October 01, 2019 for the proposed divestment of the lending business under Religare Finvest Limited (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
- 17 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 ₹ 4190.28 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. 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 Pvt 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 enjoined 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.



- 18 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 termination of Indemnity and Release Agreement dated 14.11.2017 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.
- 19 Loancore Servicing Solutions Private Limited has also filed a petition under Sec. 9 of the Insolvency and Bankruptcy Code, 2016 claiming damages under a "Penalty Fee Agreement" allegedly signed with the Company. The petition is yet to be admitted. The matter is sub-judice.  
Loancore Servicing Solutions Private Limited ("Loancore") has also filed a petition before Hon'ble NCLT, Delhi under Sections 58 and 59 of the Companies Act, 2013 seeking rectification of Register of Members of the Company. The matter is sub-judice.  
In the matter of Religare Enterprises Limited vs. Loancore servicing solutions Ltd., the Company has filed anti injunction suit against the Loancore Servicing Solutions, Emqore OU and Foundation Exorior Limited. Hon'ble High Court of Delhi has granted anti-suit injunction against the Defendants till the next date of hearing. On March 3, 2020 the suit was decreed in favour of REL and anti injunction suit against the Loancore Servicing Solutions, Emqore OU and Foundation Exorior Limited is made absolute.
- 20 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, inter alia, prohibits RFL from expansion of credit/investment portfolios other than investment in Government Securities and advises 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.  
During the year ended March 31, 2020, the Company 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 request of TCG as investor in RFL in the month of March 2020. During the same month, the Company 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 updated DRP to the lenders and along with its Parent Company is working towards its revival including discussions with potential investors. Accordingly, the financial statements of RFL have been prepared on Going Concern basis.
- 21 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. 312,93,93,167 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. 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'ble 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.
- 22 Strategic Credit Capital Private Ltd. (SCCPL) & Participation Finance & Holdings (India) Pvt. Ltd. (PFH) have filed a commercial civil suit before Hon'ble Delhi High Court against Lakshmi Vilas Bank (LVB), wherein they have arrayed 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 passed to maintain status quo regarding the 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.p.c against SCCPL for filing fabricated indemnification cum release agreement. Further, Loancore has filed substitution on behalf of SCCPL by way of assignment deed. Thereafter, SCCPL also moved an application u/o39 R-1/2 of CPC seeking injunction against REL & RFL, restraining them from selling RFL and RHDFC business. The said application is disposed-off on August 9, 2019 in terms of order dated 22.02.2018. Now the case is listed for disposal of interim applications. The matter is sub-judice.
- 23 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.
- 24 In the matter of Nakul Goel vs. RHC Holding & Ors., a FIR is lodged by Nakul Goel against Others and KMP's (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.
- 25 The management of Religare Advisors Limited (RAL) subsidiary of the Company, had taken a decision to not to carry on any commercial operations from March 31, 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.
- 26 (i) RFL had filed a suit for recovery of Fixed Deposits amounting to Rs 7,9145 Lakhs misappropriated by Lakshmi Vilas Bank ("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 along with its associates have filed application for impleadment in the said suit.  
(ii) RFL had also filed a complaint against LVB and others on May 15, 2019 with EOW. The EOW, Delhi 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.  
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 ED has lodged an ECIR on the basis of the FIR.  
(iii) RFL has not created any additional Deferred Tax Assets during the current year and continuing same from March 31, 2018.



27 SEBI has passed an ad-interim ex-parte order on October 17, 2018 ("order") in relation to Fortis Healthcare Limited (FHL) which inter alia includes directions to RFL and other entities covered in the order to repay Rs. 40,300 Lakhs to FHL and not to dispose of or alienate any of the assets or divert any funds except for payment of Rs. 40,300 Lakhs and for meeting business operations without the prior permission of SEBI. RFL has represented to SEBI and denied all the preliminary findings recorded against RFL and further requested SEBI to vacate the directions in the said order till conclusion of the investigation. Furtherance to above, SEBI further issued a confirmatory order dated March 19, 2019. The said order inter-alia continued the debilitating restraints against the RFL which were originally contained in the Ex-parte Order dated October 17, 2018. However, RFL has been allowed to function in compliance with the terms of the CAP as stipulated by the Reserve Bank of India (RBI). SEBI vide order dated June 28, 2019 gave certain relaxations to RFL to take all measures as it deems fit for revival of RFL (including restructuring of its debts/loans, assignment of its financial assets to ARCs, raising of capital, borrowing etc.). RFL has filed an appeal in Securities Appellate Tribunal (SAT) on April 23, 2019 against the said order seeking relief from SAT in the matter.

On January 29, 2020, SAT has passed an order wherein SAT has quashed the SEBI's impugned order specific to RFL. Further, in order to balance the equities, SAT has directed the RFL to maintain its assets worth Rs. 20,000 lakhs for a period of three months. If the Whole Time Member (WTM) is unable to pass the order within three months, the limited restraint order of SAT will also 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.

28 During the last financial year 2018-19, RHDfCL had entered into a transaction with RARC 059 (RHDfCL HL) Trust (special purpose vehicle) wherein it has sold GNPA of INR 3038.13 lakhs for a value of INR 2278.60 lakhs. The transaction has been carried out in compliance with the applicable RBI norms for securitization and the Trust has issued security receipts (SR) in the ratio of 85:15 i.e. of INR 1936.81 lakhs to RHDfCL and INR 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. It 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 in its books. The value of the aforesaid investments as on March 31, 2020 is Rs. 1,795.15 Lakhs.

29 Religare Broking Limited ("RBL"), being a securities and commodities broking business entity acquired, for better synergy, on September 07, 2019 commodities broking business of its 100% subsidiary, Religare Commodities Limited, 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 at a total cash consideration of Rs 2,300.00 Lakhs (as per valuation by a registered valuer). Pursuant to the Business transfer agreement, on the Effective Date (beginning of September 7, 2019), the Consideration has been suitably modified to give the effect of movement in working capital. The consideration paid for the commodities business transferred is Rs. 2023.33 Lakhs against Rs. 1997.60 Lakhs being value of net identifiable assets acquired. This being a common control business combination, as per Appendix C to Ind AS 103, 'Business Combination' has been accounted for using the pooling of interest method. Accordingly, the difference of Rs. 25.73 lakhs between the amount of consideration paid and value of net assets acquired has been debited to 'Amalgamation Adjustment Deficit Account' under 'Reserves & Surplus' in Statement of Changes in Equity.

30 Management response on Audit Qualifications for FY 2018-19 Audited Standalone Financial Results and previous quarters closed during the year.

Qualification: 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 statements. ( refer Note no 17)

Status: The Company 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 a illegal one by filing the interim application having I.A. No. 16727/2018 in the matter of Dalichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (Petition O.M.P. (EFA) (COMM) NO. 6 OF 2016). The Company has already accounted for the redemption value of Rs. 4,190.28 lakhs in its financial statements. The Company has also filed a petition before Hon'ble NCLT, Delhi for rectification of register of members of the Company (please refer to Note no 17). In the financial year under review, the qualification has been closed basis the legal opinion obtained by the Company.

Management response on Audit Qualifications for FY 2018-19 Audited Consolidated Financial Results and previous quarters.

31 Religare Finvest Limited (RFL)

i). Qualification: Adjustment of fixed deposits of Rs. 79,145 lakhs (excluding Rs. 2,703.39 lakhs interest accrued & due till the date of original maturity i.e. July 20, 2018) with and by the Lakshmi Villas Bank (LVB) against the loans given to promoter group companies in the previous year continued to be under litigation at Hon'ble High Court for declaration and recovery. Pending disposal of the case, we are unable to comment on the status of recoverability and classification of the reported balance.

Status: Please refer the note no. 26 regarding the status of the case. Pending disposal of the case, the likely implication on the financial statements is not ascertainable.

ii). Qualification: Loans given to certain companies appearing in Corporate Loan Book (CLB portfolio) aggregating to Rs. 203,670 lakhs as on March 31, 2019 (substantially these loans were given upto the period March 31, 2017, when we were not the auditors. Loans, so provided including given in financial year ending March 31, 2018 have been reported by us under section 143(12) of the Companies Act, 2013 as referred in point 3(ii) above) (expected credit loss (ECL) fully provided for; no further loans have been given during the financial year ended on March 31, 2019) and proceedings launched by the company (RFL) against these companies continued to be under insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Delhi. Most of these proceedings are stayed by the Hon'ble Supreme Court in its order dated April 5, 2019 in case of M/s Dalichi Sankyo Company Limited Versus Oscar Investments Limited & Ors. Refer Note no. 8 of the Statement.

Further, the company (RFL) has subscribed to Non-Convertible Debentures of a corporate entity of Rs. 20,000 lakhs in December 2016 (Impairment of Rs. 13,004.70 lakhs considered till March 31, 2019) and extended loan of Rs 5,000 lakhs (ECL fully provided) to one of the corporate. Due to default in making repayment of NCD/loan to the Company, it has filed the cases against both the parties under insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Kolkata. Considering the pending decision of Hon'ble Supreme Court of India, Hon'ble NCLT Delhi and Hon'ble NCLT, Kolkata, we are unable to comment on adequacy of provision, any additional financial and legal implications on the financial statements of the company.

Status: Please refer the note no.13 & 20 regarding CLB matter. Full provision has already been made in the books of RFL against the CLB portfolio.

The management is pursuing various legal recourse to recover the CLB outstanding.

During the Financial year ended March 31, 2020 additional provision of Rs. 4,793 Lakhs has been created against the NCD. The balance amount of Rs 2,200 Lakhs is secured by non disposal undertaking of listed securities.



32 Religare Housing Development Finance Corporation Limited (RHDFCL)

**Qualification:** In relation to transaction with RARC 059 (RHDFC HL) Trust (Special Purpose Vehicle) wherein GNPA of Rs. 3038.13 lakhs were sold for a value of Rs. 2278.60 lakhs & Trust has issued security receipts (SR) in the ratio of 85:15. As informed by company (RHDFC), based on the legal opinion obtained it was a true sale. Considering that Company has 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, the company (RHDFC) may remain exposed to substantial risk of return. Had these NPA loan receivables not been derecognized classification of loans into investments would not have changed and profit for the year would have decreased by Rs. 96.78 lakhs.

**Status:** The sale of GNPA to Reliance ARC was concluded within the RBI purview and the Company has obtained true sale opinion for concluding the transaction. Accordingly, the Company has derecognized the NPA loan receivables and has recognized security receipts as investments in the books of accounts. The Company 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, the Company 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. Pls refer note No 28

**Management response on Audit Qualifications for FY 2018-19 Audited Consolidated Financial Results and previous quarters closed during the year.**

33 Religare Housing Development Finance Corporation Limited (RHDFCL)

**Qualification:** During the previous financial year 2018-19, some of the lenders have increased interest rates mainly due to downgrade in External Credit rating (ECR) of the Company. The Company (RHDFCL) has protested for such increase in the interest rate and has not serviced increased interest rate. Further, Company has not made the provision of increased amount of Interest amounting to Rs. 68.92 lakhs, but the Company has shown the same as contingent liability in the financial statements. As informed, company is in the process of getting approval from respective banks for restoring the original interest rates. Had the provision of the same been made in the books of accounts, then profit for the half year ended would decrease by Rs. 68.92 Lakhs

**Status:** As on March 31, 2019, RHDFCL had shown Rs. 228.90 lakhs as contingent liability in the financial statements. As on March 31, 2020, qualification has been removed, because during the financials year 2019-20, Oriental bank has reversed/waived off interest under protest amounting of Rs 89.46 lakhs. For balance overdue interest pertaining to FY 2018-19, the Company has paid and booked as expenses.

34 Religare Finvest Limited (RFL)

**Qualification:** During the year, some of the lenders have increased interest rates mainly due to downgrade in External Credit rating (ECR) of the Company (RFL). The Company has protested for such increase in the interest rate and has not serviced increased interest rate. Further, Company has not made the provision of increased amount of Interest amounting to Rs. 2,898.47 lakhs, but the company shown the same as contingent liability in the financial statement. As informed, company is in the process of getting approval from respective banks for restoring the original interest rates. Had the provision of the same is made in the books of accounts than losses for the year would have increased by Rs. 2,898.47 Lakhs.

**Status:** As on March 31, 2019, RFL had shown Rs. 2,898.47 lakhs as contingent liability in the financial statements. Further, during the year under review, the Company has made the full provision of increased amount of interest amounting to Rs. 2,898.47 lakhs.

Place: Delhi  
Date : July 28, 2020



For and on behalf of the Board of Directors

*Rashmi*

Rashmi Saluja  
Executive Chairperson



**Independent Auditor's Report on the quarterly and year to date audited standalone Financial Results of the Religare Enterprises Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors of**  
**Religare Enterprises Limited**  
**New Delhi**

**Report on the Audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of standalone financial results of **Religare Enterprises Limited** (the "Company") for the quarter ended March 31, 2020 and the year to date result for the period from April 1, 2019 to March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. Based on our audit our report gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 as well as year to date results for the period from April 1, 2019 to March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



### **Emphasis of Matter**

i) Attention is invited to note no 17 of the standalone financial results 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 the litigation. We have replied on the management assessment.

ii) We draw attention to note no 5 to the Statement, which states the management's evaluation of COVID-19 impact on the operations of the company.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other matters**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the nine months period ended December 31, 2019, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

FRN - 000756N

*Nw*

**Naveen Aggarwal**

Partner

Membership No. 094380

UDIN: 20094380AAAAEV3204



Place: New Delhi

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

**Independent Auditor's Report on the quarterly and year to date audited Consolidated Financial Results of the Religare Enterprises Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors,  
Religare Enterprises Limited  
New Delhi**

**Qualified Opinion**

1. We have audited the accompanying statement of Consolidated Financial Results ("the Statement") of Religare Enterprises Limited ("the Holding Company " or "REL"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its share of net profit/(loss) after tax and total comprehensive income /(loss) of joint venture for the quarter ended March 31, 2020 and for the period from April 1, 2019 to March 31, 2020 attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations, 2015")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, step down subsidiaries and joint venture, the statement:

**a) includes results of following entities :**

**List of Subsidiaries**

- i. Religare Global Asset Management Inc. (RGAM Inc.);
- ii. Religare Credit Advisor Pvt. Limited (RCAL);
- iii. Religare Comtrade Limited (RCTL);
- iv. Religare Commodities Limited (RCL);\*
- v. Religare Broking Limited (RBL);
- vi. Religare Advisors Ltd. (formerly known as Religare Wealth Management Limited) (RAL);\*
- vii. Religare Business Solutions Limited (RBSL);\*
- viii. Religare Housing Development Finance Corporation Limited (RHDFCL);\*\*
- ix. Religare Insurance Limited (RIL);
- x. Religare Health Insurance Company Limited (RHICL);
- xi. Religare Finvest Limited (RFL).

\* Subsidiary of Religare Broking Limited

\*\* Subsidiary of Religare Finvest Limited



**Joint Venture**

- i. IBOF Investment Management Private Limited.
- b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard;
- c) except for effects of matter / possible effects of the matters described in the Basis of Qualified Opinion section of our report gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the period from April 1, 2019 to March 31, 2020.

**2. Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group and its joint venture 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 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 other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion

**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 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.
  
- 2) 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 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 an 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 28 of the statement 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 31st March 2019 would have decreased by Rs. 96.78 lakhs.

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

**3. Material Uncertainty Related to Going Concern :**

- a) We draw attention to Note No. 20 in the 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. 9(ii) of the statement 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.

**4. Emphasis of Matter**

- i. Attention is invited to note no 17 of the statement 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. 3 of the statement 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. 5 to the statement 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.22 of the Statement

- 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 26 (iii) of the Statement

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 25 of the statement with respect to the accounts of RAL, indirect subsidiary of the Holding Company continued to be prepared on realizable value basis in the quarter and year ended March 31, 2020 in view of no commercial operations for the last three previous financial years.

Our opinion is not modified for the matters stated in paragraph 3 & 4 above.

**5. Management's Responsibilities for the Consolidated Financial Results**

The Statement which is the responsibility of the Holding Company Company's management and has been approved by the Holding Company Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit/(loss) and other comprehensive Income/(loss) and other financial information of the Group and its Joint venture in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and its Joint venture are responsible for maintenance of adequate accounting records in accordance





with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and its joint venture and are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

#### **6. Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act,
- we are also responsible for expressing our opinion on whether the Holding Company, & one subsidiary company incorporated in India ( based on the auditors report of the auditors of the subsidiary company) and its Joint venture incorporated in India ( based on the auditor's report of the Joint Venture Entity )has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint venture 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision, and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## 7. Other Matters

- a. We did not audit the financial results of three subsidiaries whose financial statement reflect total assets Rs.205,354.11 Lakhs as at March 31,2020 total revenue of Rs. 47,914.01 lakhs and Rs 1,65,392.01 Lakhs, total net profit/(loss) after tax of Rs. 3,655.07 lakhs and Rs 6,733.36 lakhs and total comprehensive Income/(loss) of Rs. 4,306.26 lakhs and Rs 8,619.02 lakhs for the quarter ended March 31, 2020 and for the period from April 1, 2019 to March 31, 2020 respectively as considered in the statement. These financial results have been audited by other auditors, whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.
- b. The statement include the financial results of one subsidiary incorporated outside India which have not been audited by its auditor, whose financial results reflect total assets of Rs 64.04 Lakhs as at March 31, 2020 , total revenue of NIL , total net profit/(loss) after tax of Rs. Nil lakhs and Rs( 2.93) lakhs and total comprehensive income/ (loss) of Rs Nil lakhs and Rs ( 2.93) lakhs for the quarter ended March31, 2020 and for the period from April 1, 2019 to March 31, 2020 respectively and as considered in the statement whose financial results have not been audited by us. In our opinion and according to the information and explanations given to us by the Board of Director , this financial results are not material to the Group.
- c. The statement includes Group share of net profit/(loss) after tax of Rs (7.85) lakhs and Rs (13.14) lakhs, total comprehensive income / (loss) of Rs (7.85) lakhs and Rs (13.14) lakhs for the quarter ended March 31, 2020 and for the period from April 1, 2019 to March 31, 2020 in respect of one joint venture based on its financial results which have been audited by other auditor, whose report has been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on the report of the other auditor and procedures performed by us as stated in paragraph 6.

Our opinion on the Statement, is not modified in respect of the matters as started in paragraph 7 above with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.



# SS KOTHARI MEHTA & COMPANY

CHARTERED ACCOUNTANTS

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the end of third quarter of the current financial year, which were subject to limited review by us, as required under the listing Regulations.

For **SS Kothari Mehta & Company**

Chartered Accountants

Firm Reg. no. - 000756



**Naveen Aggarwal**

Partner

Membership No. - 094380



UDIN: 20094380AAAAEW8868

Place: New Delhi

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

**Religare Enterprises Limited**

Regd. Office : 1st Floor, P-14, 45/90, P-Block, Connaught Place, New Delhi -110001

**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 (as reported before adjusting for qualifications)	Adjusted Figures (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.

	<b>RELIGARE FINVEST LIMITED</b>
<b>II(a)</b>	<p><b>Audit Qualification :</b></p> <p>a. Details of Audit Qualification:</p> <p>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 &amp; 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.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: Repetitive – Continuing since March'18</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management &amp; Views: The Auditors have not quantified the impact of the Qualified Opinion.</p>



	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(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.</p> <p>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.</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Not applicable</p> <p>(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.</p>
<p><b>II(b) Audit Qualification :</b></p>	<p>a. Details of Audit Qualification:</p> <p>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 &amp; Ors.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: Repetitive - Continuing since March'17</p> <p>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</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification:</p>



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.

- (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. 3038.13 lakhs were sold for a value of Rs. 2278.60 lakhs & Trust has issued security receipts (SR) in the ratio of 85:15. As informed by Company, 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 in its books.



Further, RMDFC 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 Satija *Rashmi*
- Audit Committee Chairperson - Vijayalakshmi Rajaram Iyer *Vijayalakshmi*
- Group CFO - Nitin Agarwal *Nitin*
- Statutory Auditor of the Company



S S Kothari Mehta & Company, Chartered Accountants  
Naveen Agarwal  
Partner  
Membership No. 094380  
Place :- Delhi  
Date :- 28-07-2020

