

August 08, 2019

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

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

**Scrip Symbol: RELIGARE**

**Scrip Code: 532915**

**Subject: Outcome of Board Meeting of Religare Enterprises Limited ("the Company")**

Dear Sir(s),

We would like to inform you that the Board of Directors at their meeting held today i.e. August 08, 2019 (started at 2.30 P.M. and concluded at 09:40 P.M.) has inter-alia approved the following matters:

1. Un-audited Financial Results (Standalone and Consolidated) of the Company (which have been subjected to Limited Review by the Statutory Auditors) for the quarter ended June 30, 2019 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (enclosed herewith as **Annexure - A**).

Copies of the Limited Review Reports of M/s S.S. Kothari Mehta & Co., Statutory Auditors of the Company, are enclosed herewith as **Annexure - B**.

2. Mr. Siddharth Dinesh Mehta, Non-Executive Non-Independent Director, has been designated as Non-Executive Vice- Chairperson of the Company.
3. Mr. Ashish Tyagi has been appointed as Interim CFO and has also been designated as Key Managerial Personnel of the Company under the provisions of Companies Act, 2013 w.e.f. August 08, 2019. The brief Profile of Mr. Ashish Tyagi is enclosed herewith as **Annexure C**.

Further, Mr. Gurvinder Singh Juneja has resigned as CFO of the Company w.e.f. August 08, 2019.


Further, the Nomination and Remuneration Committee of the Company at their meeting held on August 08, 2019 has granted 6,00,000 (Six Lakhs) Stock Options under Religare Enterprises Limited Employee Stock Option Plan 2019 ("Scheme")

The disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as **Annexure D**.

This is for your record and dissemination purpose.

Thanking you,

Yours truly,  
**For Religare Enterprises Limited**



**Reena Jayara**  
**Company Secretary**  
Encl.: a/a-

## RELIGARE ENTERPRISES LIMITED

Regd. Office : 2nd Floor, Rajlok Building, 24, Nehru Place, New Delhi - 110019

## Statement of Standalone and Consolidated Unaudited Financial Results for the Quarter Ended June 30, 2019

(Rs. in Lakhs)

Sr No	Particulars	Standalone Results				Consolidated Results													
		Quarter ended		Year ended		Quarter ended		Year ended											
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)	June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)										
1	Revenue																		
	a. Revenue from Operations	-	-	152.58	358.69	18,410.23	15,785.95	28,573.99	93,148.03										
	Dividend Income	-	-	-	-	1,763.23	1,634.80	760.59	5,222										
	Fee and Commission Income	-	-	-	-	-	-	150.74	5,943.13										
	Net Gain on Fair Value Changes	-	-	-	-	4,267.73	3,133.55	5,608.29	19,623.77										
	Sale of Services	-	-	11.02	13.53	28,788.14	32,063.40	21,958.35	1,09,971.23										
	Other Revenue from Operations	-	-	-	-	-	-	57,051.96	2,28,691.38										
	Total Revenue from Operations	-	-	163.60	372.22	53,229.33	52,617.70	8,282.61	11,480.43										
	b. Other Income	499.16	552.86	431.46	3,144.35	694.46	500.34	2,828.61	2,401,171.81										
	Total Revenue (a+b)	499.16	552.86	595.06	3,516.57	53,923.79	53,118.04	59,880.57	2,401,171.81										
2	Expenses																		
	(a) Finance costs	203.26	500.92	1,472.12	4,470.22	22,318.13	15,804.68	24,472.22	84,998.16										
	(b) Fee and Commission Expenses	-	-	-	-	1,160.20	1,186.21	1,388.61	5,243.51										
	(c) Net Loss on Fair Value Changes	-	-	-	-	61.23	220.09	248.40	248.40										
	(d) Impairment and Loss Allowances on Financial Instruments	212.67	9,934.24	-	9,934.24	2,376.19	34,986.48	8,448.27	1,32,968.30										
	(e) Employee benefits expense	381.65	279.93	263.92	1,279.83	12,903.42	14,062.64	12,433.56	51,762.86										
	(f) Depreciation and amortization expense	17.24	17.94	25.70	85.42	1,436.09	609.99	690.86	2,573.14										
	(g) Other expenses	397.71	406.91	540.72	2,358.08	28,028.79	26,534.25	25,739.01	1,12,721.70										
	Total Expenses (a to g)	1,212.53	11,139.94	2,302.46	18,127.79	68,284.05	93,404.34	73,172.53	3,90,516.07										
3	Profit/ (Loss) Before Exceptional Items and Tax (1-2)	(713.37)	(10,587.08)	(1,707.40)	(14,611.22)	(14,360.26)	(40,286.30)	(13,291.96)	(1,50,344.26)										
4	Exceptional Items	-	-	-	-	(2.00)	(3.58)	(1.16)	(8.96)										
5	Share in Profit / (Loss) of Joint Ventures / Associates	(713.37)	(10,587.08)	(1,707.40)	(14,611.22)	(14,362.26)	(40,289.88)	(13,293.12)	(1,50,353.22)										
6	Profit/ (Loss) Before Tax and extraordinary items (3-4)	-	-	-	-	-	-	-	-										
7	Tax Expense	-	-	-	-	115.70	(98.70)	132.39	429.98										
8	Current Tax	-	-	-	-	221.29	(607.96)	(12.75)	(688.14)										
9	Deferred Tax (Net)	-	-	-	-	-	-	-	-										
10	Net Profit/ (Loss) After Tax before extraordinary items (5-6)	(713.37)	(10,587.08)	(1,707.40)	(14,611.22)	(14,699.25)	(39,583.22)	(13,412.76)	(1,50,095.06)										
11	Extraordinary Items (Net of Tax)	-	-	-	-	(24.44)	(107.72)	32.88	(41.03)										
12	Net Profit/ (Loss) for the period (7-8)	4.05	11.17	14.55	16.19	(18.01)	124.12	(0.48)	104.06										
13	Other Comprehensive Income	-	-	-	-	276.71	545.66	(988.44)	332.33										
14	A) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-										
15	Remeasurement Gain/(Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-										
16	Payment due against Letter of comfort given	-	-	-	-	-	-	-	-										
17	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-										
18	Net Gain / (Loss) on Debt Securities FVOCI	-	-	-	-	-	-	-	-										
19	Income Tax Impact on Above Items	(709.32)	(10,575.91)	(1,692.85)	(14,595.03)	(14,464.99)	(39,021.16)	(14,368.80)	(1,49,699.72)										
20	Total Comprehensive Income for the period, net of tax (9+10)	-	-	-	-	-	-	-	-										
21	Profit/(Loss) for the year attributable to:																		
22	Non Controlling Interest	-	-	-	-	(6,122.49)	(4,441.12)	(4,309.28)	(21,378.41)										
23	Owners of the Company	-	-	-	-	(8,576.78)	(35,142.10)	(9,103.48)	(1,28,716.65)										
24	Other Comprehensive Income attributable to:																		
25	Non Controlling Interest	-	-	-	-	(14,699.25)	(39,583.22)	(13,412.76)	(1,50,095.06)										
26	Owners of the Company	-	-	-	-	13.26	(20.53)	36.91	30.55										
27	Other Comprehensive Income attributable to:	-	-	-	-	221.00	582.59	(992.95)	364.79										
28	Owners of the Company	-	-	-	-	234.26	562.06	(956.04)	395.34										



11(d)	Total Comprehensive Income attributable to:												
12	Paid-up Equity Share Capital (Face Value of equity share Rs. 10 each)	-	-	-	-	-	-	-	-	-	-	-	-
		21,694.27	21,694.27	18,273.39	21,694.27	21,694.27	21,694.27	21,694.27	18,273.39	21,694.27	21,694.27	21,694.27	21,694.27
13	Other Equity [Excluding Revaluation Reserve] as shown in the Audited Balance Sheet of Previous Year	NA	NA	NA	1,44,221.02	NA	NA	NA	NA	NA	NA	61,610.68	
14	Earnings Per Share ("EPS") before and after extraordinary items of ₹ 10 each fully paid up (not annualised)												
		a) Basic EPS (Rs.) b) Diluted EPS (Rs.)	(0.33) (0.33)	(4.88) (4.88)	(0.95) (0.95)	(6.93) (6.93)	(3.95) (3.95)	(18.27) (18.27)	(7.46) (7.46)	(63.32) (63.32)			

Notes:

- 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 ended June 30, 2019.
- In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statement of Standalone Financial Results for the Quarter ended June 30, 2019 and Consolidated Financial Results for quarter ended June 30, 2019 of the Company have been reviewed by the Audit Committee and subsequently approved Board of Directors (the "Board") of the Company at their respective meetings held on August 08, 2019.
- Figures of standalone and consolidated financial results for the quarter ended March 31, 2019 are balancing figures between the audited financial of full year ended March 31, 2019 and published year to date figures for the period April 2018 to December 31, 2018 which were subjected to limited review.
- The figures for the quarter ended March 31, 2019 and the quarter ended June 30, 2018, included in the Statement of Consolidated Financial Results for the quarter ended June 30, 2019 have been approved by the Holding Company's Board of Directors, but have not been subjected to review as the mandatory requirement for limited review has been made applicable for periods beginning April 01, 2019, pursuant to Regulation 33(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- The Company although has equity share in Religare Capital Markets Limited ("RCML", a subsidiary of the Company), however in the present scenario controlling through voting rights is not there with the Company. Beside this, in terms of the tripartite agreement between the Company, RCML and RHC Holding Private Limited ("RHCP"), severe long term restrictions and significant restrictive covenants on major decision making at RCML have been imposed by the holder's of the preference shares. Accordingly in view of the above, the financial statements of RCML and its subsidiaries have been excluded from the consolidated financial statements of the Company w.e.f. October 01, 2011, in accordance with applicable accounting standards. The Company has already provided fully for the entire investment made by it into RCML in previous years.
- The Company had fully utilized the funds received during FY 2018-19 from the warrant holders as per the Objects stated in the Explanatory Statement to the Notice dated February 19, 2018 sent to shareholders of the Company. There are no unutilized funds under the same as on June 30, 2019. Currently, 73,010,429 warrants are remaining for conversion as on date out of the total 111,497,914 convertible warrants issued on April 19, 2018.
- The Company has filed the petition before the Hon'ble National Company Law Tribunal, New Delhi Bench on June 14, 2019 seeking rectification of Register of Members of the Company by cancellation of 250 Lakhs 0.01% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/ each issued in August 2016 (2016 Preference Shares) to RHC Finance Private Limited and for any other appropriate reliefs, including interim relief with respect to freezing of voting rights and dividend rights attached to the said 2016 Preference Shares. The said application / petition were filed by the Company basis certain facts discovered by the new Management relating to irregularity / illegality in issuance of said Preference Shares.
- On July 10, 2019, the Company has entered into a binding term sheet with TCG Advisory Services Private Limited, Religare Finvest Limited ("RFL") and Religare Housing Development Finance Corporation Limited ("RHDFCL"), whereby the Company will divest its entire stake in RFL, a subsidiary of the Company, to TCG Advisory Services Private Limited or any of its affiliates ("Acquirer"). Pursuant to the aforesaid divestment, the Acquirer would also acquire indirect interest of the Company in RHDFCL, which is a subsidiary of RFL. The transaction is subject to necessary statutory and regulatory approvals and fulfilment of other conditions precedent. The company will record the financial impact once the Share Purchase Agreement (SPA) is executed. Also, RFL has initiated debt restructuring with all banks and has signed Inter Creditor Agreement (ICA) dated July 03, 2019. Given the combined effort going forward it is expected that the Capital adequacy ratio of the RFL will be adequate to initiate additional business. Besides these developments, RFL management is of the view that fixed deposit misappropriated by LVB is legally tenable [as stated in point no 24(i)]. Considering all of these, accounts of RFL continued to be prepared on going concern basis.
- During the quarter ended June 30, 2019, the Company granted 15,625,000 stock options to the Eligible Employees under "Religare Enterprises Limited Employees Stock Option Plan 2019" ("ESOP Scheme 2019") at a grant price of Rs. 29.43 per share as per the terms of the ESOP Scheme 2019. Further, 600,000 stock options were granted under the aforesaid ESOP Scheme 2019 on August 08, 2019 at a grant price of Rs. 30.85 per share.



- 10 RBI issued Supervisory Concerns to the Company in April 2019 in the matter of the Inspection for the position as on March 31, 2018 carried during the month of July 2018 under Section 45N of the Reserve Bank of India Act, 1934. vide same, RBI has advised the Company to infuse fresh capital by June 30, 2019 to meet the regulatory minimum Adjusted Net Worth (ANW) to Risk Weighted Assets (RWA) ratio of 30%, refrain from accessing public funds till ANW to RWA ratio of 30% is achieved, strengthen the Board of the Company by inducting Whole time Director (WTD) and stop paying dividends till further orders from the RBI. In this regard, the Company has suitably submitted its response to the RBI stating that the Company meets the regulatory minimum ratio of 30% and is engaged with the RBI for other matters. Further, during the month of July 2019, RBI again conducted the inspection under section 45N for the financial position of the Company as on March 31, 2019. The Company is yet to receive a report on the same.
- 11 With reference to the application for re-classification of existing Promoters and Promoters Group of Religare Enterprises Limited to Public Shareholders submitted with the stock exchanges, the Company submitted an Application dated April 15, 2019 with SEBI seeking for an exemption from strict application of one of the conditions mentioned in erstwhile Regulation 31A(5) of SEBI Listing Regulations. The response of SEBI and stock exchanges on the application is currently awaited.
- 12 The Board of Directors of the Company in its meeting held on May 23, 2019, approved, subject to requisite approvals, the draft Scheme of Amalgamation ("Scheme") that is designed to simplify the Company's corporate structure. In terms of the Scheme, two (2) directly / indirect wholly owned subsidiaries of Religare Enterprises Limited namely, Religare Comtrade Limited and Religare Insurance Limited will merge with/into Religare Enterprises Limited subject to terms and conditions as provided in the Scheme. The Scheme shall be submitted with Hon'ble NCLT in due course of time.
- 13 In the matter of Dalichi Sankyo Company Limited vs. Malvinder Mohan Singh & Others (petition O.M.P. (FRA) (COMM) NO. 6 OF 2016), the interim application having I.A. No. 16727/2018 has been filed by REL disputing its liability as a garnishee came up for hearing on December 7, 2018. REL has not redeemed 1,500,000 preference shares due for redemption on October 31, 2018 (redemption value of Rs. 4,190.28 lakhs) and disputed the liability stating the transaction to be an illegal one. The Hon'ble High Court of Delhi directed REL to file an affidavit disclosing the names of persons who were on its Board of Directors and were managing its affairs when the alleged sham transaction was executed. It also remarked that it expected REL to file a complaint with the concerned Police Station. Accordingly, in compliance thereof, REL has filed an affidavit disclosing names of persons who were on Board of Directors at relevant times and has also filed a criminal complaint on March 22, 2019 with the Economic Offences Wing, Delhi Police against Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Mr. Sunil Godhwani, RHC Holding Private Limited, Oscar Investments Limited, RHC Finance Private Limited and their other associates for various offences under the Indian Penal Code, 1860 including the offences of cheating, criminal breach of trust, criminal misappropriation, forgery, forgery for the purposes of cheating and criminal conspiracy w.r.t transactions relating to issuance and redemption of Preference Shares. Now the case is listed for hearing on September 24, 2019.
- 14 In the matter of Dalichi Sankyo Company Limited Vs. Oscar Investments limited, pending at Hon'ble Supreme Court (SC) of India, in (SILPC) No.-020417/2017- These are the contempt proceedings against the Singh Brothers for allegedly violating Delhi High Court orders and selling their stake in Fortis. SC has stayed the CLB Proceedings filed by the Company, Religare Finvest Limited (RFL) and Religare Comtrade Limited (RCTL) pending before the NCLT. REL, RFL and RCTL has filed application for vacating the stay. Further, the order is reserved in the case.
- 15 Loancore Servicing Solutions Private Limited has 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 Company is contesting the same on maintainability of the petition. The matter is currently sub-judice.
- 16 SEBI issued a Corrigendum dated April 18, 2019 modifying the interim ex-parte order dated March 14, 2019 issued in relation to the ongoing investigation of the Company with following directions:  
At paragraph 7 of the Interim Order, the words "...the abovementioned entities (Notice nos. 1 to 9)" shall be substituted with the following words: "...abovementioned entities (Notices nos. 1 to 25)". There is no impact on the Company of same.
- 17 Axis Bank has filed an original application ("OA") before the DRT-II, Delhi for recovery of approx. Rs. 31,300 lakhs under a facility agreement between Axis Bank and Religare Capital Markets International (Mauritius) Limited ("RCMIML"), which is inter alia secured by security provided by Promoters and Religare Capital Markets Limited. REL has neither provided any security/guarantee in relation to the facility nor has any obligation to repay the dues of RCMIML. REL has been made a party to the proceedings based on a Non-Disposal Undertaking ("NDU"). The DRT has passed an order dated March 21, 2018 directing inter-alia that REL shall not alienate or create any encumbrance in respect of certain assets and its shareholding in any company or business concerns to the extent of claimed amount and enter into any settlement with any creditors without the prior approval of DRT. REL has filed 2 applications on May 08, 2018 for deletion of REL as a party and vacation of the stay order dated March 21, 2018 against REL. Axis Bank has filed the reply. On December 18, 2018 DRT dismissed both the applications. REL has filed an appeal before the DRAI against the order dated December 18, 2018 which is listed on August 13, 2019. REL has now filed written statement in the OA. Now the matter is listed for Evidence by way of Affidavit. Axis Bank has filed application for restraint of RFL to TCG Advisory Services Pvt Ltd. Reply to said application has been filed.
- 18 In the matter of NVLIM Jacob Ballas India Fund III (JB) and Resurgence PE Investments matter (at the Delhi High Court), JB and Resurgence are shareholders in Religare Finvest Limited ("RFL"). They have separate Investment Agreements with REL and RFL and Put Option Agreements with REL. They exercised their put options and sought exit from RFL in 2016. However, an exit could not be provided by REL. In November 2017, they filed petitions under Section 9 of the Arbitration and Conciliation Act before the Delhi High Court praying for ad interim and mandatory relief that inter alia: REL deposit an amount of approx. Rs. 39,350 Lakhs and Rs. 27,709 Lakhs respectively with the Hon'ble High Court or give bank guarantees of the said amounts in order to secure the investors' interests. On January 05, 2018, the Court has directed RFL not to withdraw or alienate its fixed deposits lying with Lakshmi Vilas Bank (LVB). Petitioners have invoked arbitration; REL has responded to the notices seeking a 90 day moratorium on legal proceedings in order to attempt amicable settlement of the matters. RFL is in talks with the parties for an amicable settlement. Next hearing is scheduled for August 21, 2019 for reporting settlement as last opportunity.
- 19 (i) Reserve Bank of India ("RBI") vide its letter dated January 18, 2018 has advised RFL to adhere to corrective action plan ("CAP") given by it. The said CAP, inter-alia, prohibits RFL from expansion of credit/investment portfolio other investment in Government Securities and advises RFL not to pay dividend. In this regard, the RFL is taking the necessary corrective measures as advised by RBI and will seek removal of cap in the due course.



(ii) SEBI further issued an Order dated June 28, 2019 with respect to the interim ex-parte Order dated October 17, 2018 read with Confirmatory Order dated March 19, 2019 in the matter of Fortis Healthcare Limited ("FH") and further modified its earlier directions against RFL, subsidiary company on the above mentioned matter. The modified directions pertaining to RFL in matter is extracted below:  
 "The Notice no. 8 (viz, Religare Finvest Limited), pending completion of the investigation, shall not dispose of or alienate any of its assets or divert any funds without the prior permission of SEBI, except for meeting expenses of day to day business operations and taking all measures as it deems fit for revival of RFL (including restructuring of its debt/loans, assignment of its financial assets to ARCs, raising of capital, borrowing etc.) subject to the strict adherence to the terms of "Corrective Action Plan" and any other norms stipulated by the Reserve Bank of India and provisions of all applicable laws.

20 The Capital to risk weighted assets ratio (CRAR) of RFL as on March 31, 2019 is below the prescribed limit. 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. The management of RFL has reviewed the portfolio and the financial reports of the borrowers to determine the recoverability of the said loans. Based on the maturity dates of the loans, recovery steps instituted and the financial reports of the borrowers, RFL had, on a prudent basis, made full provision of Rs. 203,670 Lakhs during the previous years against this portfolio.

A law firm of repute was appointed to undertake a detailed diligence on this loan book and the said diligence has been completed. Insolvency proceedings have been initiated before the NCLT Delhi and Kolkata against the Borrowers forming a part of the Corporate Loan Book. The Insolvency Petitions filed before the NCLT New Delhi were listed on March 27, 2019 for addressing arguments for the admission of petitions. Arguments were heard at length on the said date and the Hon'ble NCLT was pleased to reserve its order and requested the counsels for all the parties to file their written submissions. Order Reserved for admission but the Proceedings are stayed by Supreme Court vide order April 05, 2019. Based on the due diligence report and the replies filed by the borrowers before the NCLT, RFL had also filed a criminal complaint before the ECOW, Delhi, on which a F.I.R. no. 50/2019 has been registered and is under investigation.

Whereas, the insolvency petition titled as "Religare Finvest Limited vs. Bharat Road Network Limited" filed before the NCLT, Kolkata was listed for admission hearing on March 29, 2019. The corporate debtor / borrower was granted last opportunity to file its reply within 3 days and rejoiner to be filed by RFL within 7 days thereafter. The matter got listed on May 17, 2019 but due to strike the matter was not heard and re-notified for July 18, 2019. During the quarter ended June 30, 2019, there is no movement in this portfolio.

21 Unaudited Segment-wise Revenue and Results for Standalone and Consolidated results for quarter ended June 30, 2019

S. No.	Particulars	Standalone Results						Consolidated Results					
		Quarter ended		Year ended		Quarter ended		Year ended					
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019				
1	<b>SEGMENT REVENUE</b>	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)		
	(a) Investment and Financing Activities	8.01	18.53	190.53	473.70	15,521.35	12,365.98	28,956.24	91,786.56				
	(b) Support Services	345.28	537.02	401.45	2,335.12	5,250.67	4,182.03	6,468.66	23,288.20				
	(c) Broking Related Activities	-	-	-	-	11.09	25.41	36.76	116.03				
	(d) Financial Advisory Services	-	-	-	-	551.84	726.84	558.97	2,399.59				
	(e) E-Governance	-	-	-	-	32,817.51	35,815.54	23,636.20	1,22,246.97				
	(f) Insurance	-	(2.69)	3.09	707.75	185.51	130.64	319.18	858.99				
	(g) Unallocated	145.87	(2.69)	3.09	707.75	185.51	130.64	319.18	858.99				
	Total	499.16	552.86	595.07	3,516.57	54,337.97	53,246.44	59,976.01	2,40,696.34				
	Less: Inter-Segment Revenue	-	-	-	-	(414.18)	(128.40)	(95.44)	(524.53)				
	Income from Operations	499.16	552.86	595.07	3,516.57	53,923.79	53,118.04	59,880.57	2,40,171.81				
2	<b>SEGMENT RESULTS</b>												
	Profit/ (Loss) Before Tax from Segment	(234.33)	(10,441.73)	(1,546.73)	(14,580.98)	(14,010.12)	(41,696.45)	(11,033.29)	(1,51,088.78)				
	(a) Investment and Financing Activities	(624.92)	(142.66)	(163.75)	(737.99)	(965.10)	128.56	(936.84)	(2,256.43)				
	(b) Support Services	-	-	-	-	(2.79)	(8.39)	1.52	(8.37)				
	(c) Broking Related Activities	-	-	-	-	154.91	250.76	136.63	658.43				
	(d) Financial Advisory Services	-	-	-	-	757.01	2,161.27	(784.68)	5,682.27				
	(e) E-Governance	-	-	-	-	(236.00)	(1,109.17)	(672.72)	(3,307.68)				
	(f) Insurance	145.88	(2.69)	3.08	707.75	(236.00)	(1,109.17)	(672.72)	(3,307.68)				
	(g) Unallocated	(713.37)	(10,587.08)	(1,707.40)	(14,611.22)	(14,302.09)	(40,273.42)	(13,289.38)	(1,50,370.34)				
	Total	(713.37)	(10,587.08)	(1,707.40)	(14,611.22)	(14,302.09)	(40,273.42)	(13,289.38)	(1,50,370.34)				
	Less: Interest Expense	-	-	-	-	60.17	16.46	3.74	32.88				
	Tax Expense	-	-	-	-	336.99	(705.66)	119.64	(258.16)				
	Other Comprehensive Income	4.05	11.17	14.55	16.19	234.26	562.06	(956.04)	395.34				
	Total Profit/ (Loss) After Tax	(709.32)	(10,575.91)	(1,692.85)	(14,595.03)	(14,464.99)	(39,021.16)	(14,368.80)	(1,49,699.72)				

(Rs. in Lakhs)

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



- 22 SCCPL and its associate companies have filed a suit before the Hon'ble District Court Saket seeking various reliefs including specific performance of part of the Settlement Agreement entered into between RFL and the Petitioners in July 2017, and also seeking discharge of their obligations under the Settlement Agreement. The petitioners are seeking discharge of their obligations under the Agreement. RFL has filed applications seeking following:
- Rejection of plaint
  - Extension of time for filing written statement.
  - For examination of documents and seeking responses to questions.
- The Plaintiffs (SCCPL and associate companies) have filed replies to the applications filed by the Defendant (RFL) on the last date of hearing i.e. January 18, 2019. The Court has given liberty to RFL to file rejoinder, if any before the next date of hearing. Next date of hearing is August 31, 2019 for addressing arguments on RFL's applications.
- 23 SCCPL had applied for a loan of Rs. 35,000 lakhs, from LVB which was sanctioned but not disbursed. SCCPL has filed a suit for specific performance against LVB and also made REL and RFL parties claiming various reliefs and making false claims. REL/RFL have filed contempt applications and the suit is being argued on maintainability. Now the case is listed for disposal of interim applications. In the meanwhile, Loancore has filed substitution on behalf of SCCPL by assignment deed. An application filed by Loancore Servicing Solutions Pvt. Ltd. for substitution in place of Plaintiffs came up for hearing on May 14, 2019 but were posted along with the main suit already posted for July 16, 2019. Now, SCCPL also moved an application u/o. 39 R-1/2 of CPC seeking injunction against REL & RFL, restraining them from selling their business. Matter is posted for filing reply by REL, RFL and also for arguments on all pending applications. Next date of hearing in the matter is on August 31, 2019.
- 24 (i) RFL had filed a suit for recovery of amounts misappropriated by the Lakshmi Vilas Bank ("LVB") placed as Fixed Deposits with it on May 31, 2018 before the Hon'ble Delhi High Court. The Hon'ble High Court was pleased to pass interim Orders directing that status quo be maintained in respect of RFL's current account maintained with LVB.
- (ii) It is pertinent to mention here that LVB has sought to delay the adjudication of the interim reliefs and the suit for recovery sought by RFL by filing multiple applications, all of which have been kept in abeyance by the Hon'ble Court till such time RFL's applications for interim reliefs are disposed of. The pleadings in the matter are now complete, in as much as LVB has filed a reply to RFL's suit and RFL has filed its rejoinder to the same. LVB has further filed a sur rejoinder to the rejoinder filed by RFL. Strategic Credit Capital Private Limited and Participation Finance have filed applications to be implemented in the matter, which are yet to be adjudicated on by the Hon'ble Court. The case has been fixed for arguments on interim applications filed by RFL for various dates since July 19, 2018 till March 11, 2019. On March 11, 2019 arguments were addressed at length by the counsel of Plaintiff. The Hon'ble Court was pleased to reserve order on the interim application on April 12, 2019.
- Thereafter, LVB filed another application placing ex-parte SEBI order dated March 14, 2019 on record. RFL filed affidavit pursuant to the order dated April 09, 2019 passed by the Hon'ble High Court of Delhi along with the reply qua the ex-parte interim order of the SEBI dated March 14, 2019 and letters addressed to RBI & NHB. RFL has now filed an application seeking amendment of plaint on which the Hon'ble Court has issued notice to Defendants for August 23, 2019. RFL has also filed a criminal complaint before the EOW on May 15, 2019.
- (iii) RFL has not created any additional Deferred Tax Assets during the current year and continuing same from Mar 31, 2018.
- 25 During the year, Religare Housing Development Finance Corporation Limited (RHDFCL) has entered into a transaction with RARC 059 (RHDFC HU) Trust (special purpose vehicle) wherein it has sold GNPA of Rs. 3,038.13 lakhs for a value of Rs. 2,278.60 lakhs. The transaction has been carried out in compliance with the applicable RBI norms for securitization and the Trust has issued security receipts (SR) in the ratio of 85:15 i.e. of Rs. 1,936.81 lakhs to RHDFCL and Rs. 341.79 lakhs to Reliance ARC Limited. The transaction is concluded within the RBI purview and RHDFCL has obtained true sale opinion for concluding the transaction. Accordingly, RHDFCL had derecognized NPA loan receivables and had recognized security receipts as investments in the books of accounts amounting to Rs. 1,936.81 Lakhs as on March 31, 2019. The value of the aforesaid investments as on June 30, 2019 is Rs. 1,914.69 Lakhs. 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. [Please refer note no 28(i)]
- 26 **Management response on Audit Qualifications for FY 2018-19 Audited Standalone Financial Results**
- 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.
- Status:** The Company has not redeemed 15,00,000 preference shares due for redemption on October 31, 2018 (Redemption value of Rs 4,190.28 lakhs) 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 Dalich 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. Since the matter is sub-judice, the management can not determine the amount of any additional liability at this point of time, if any, which may arise due to non-redemption of said preference shares. The Company has also filed a petition before NCLT, Delhi for rectification of register of members of the Company (please refer to Note no 7)
- 27 **Management response on Audit Qualifications for FY 2018-19 Audited Consolidated Financial Results**
- 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 Vilas 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. 24 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(i) 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 Dalich 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.20 regarding CLB matter.

With regard to RFL's investment in Bharat Road Network Limited and OSPL Infradeal Private Limited, RFL has made an additional provision of Rs. 1100 Lakhs, during the quarter under review in addition to Rs. 13,000 Lakhs. Provision already made as on March 31, 2019. The Company has already filed insolvency petition titled as "Religare Finvest Limited vs. Bharat Road Network Limited" before the NCLT, Kolkata

iii). **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 quarter under review, the Company has made the full provision of increased amount of interest amounting to Rs. 2,898.47 lakhs.

#### 28 Religare Housing Development Finance Corporation Limited (RHDFC)

i). **Qualification:** In relation to transaction with RARC 059 (RHDFC HU) 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 transaction 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.

ii). **Qualification:** During the year, some of the lenders have increased interest rates mainly due to downgrade in External Credit rating (ECR) of the Company. The Company (RHDFC) has protested for such increase in the interest rate and has not serviced increased interest rate. Further, Company has not made the provision of increased amount of interest amounting to Rs. 228.90 lakhs, but the Company 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 year would decrease by Rs. 228.90 Lakhs.

**Status:** As on March 31, 2019, RHDFC had shown Rs. 228.90 lakhs as contingent liability in the financial statements. Further, during the quarter under review, the Company has made the provision/reversal of Rs. 159.98 Lakhs. Balance of Rs. 68.92 lakhs only is under protest and shown as contingent liability. Same is under discussion with bankers for reversal.



29 The obligation towards Corporate Social Responsibility (CSR) on consolidated basis as on March 31, 2019 is Rs. 1430.11 Lakhs of Religare Broking Limited, Religare Comtrade Limited, Religare Housing Development Finance Corporation Limited, Religare Finvest Limited

30 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.

Place: Delhi  
Date : August 08, 2019



For and on behalf of the Board of Directors  
Rashmi-Saija  
Non-Executive Independent Chairperson

A handwritten signature in black ink, appearing to read "Rashmi-Saija".



**SS KOTHARI MEHTA  
& COMPANY**  
Chartered Accountants

**Independent Auditor's Limited Review Report on un-audited standalone financial results of Religare Enterprises Limited for the quarter ended June 30, 2019.**

**To the Board of Directors of  
Religare Enterprises Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Religare Enterprises Limited ('the Company') for the quarter ended June 30, 2019 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015') as amended read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("Circular").
2. This statement is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. The preparation of the statement is in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34, "Interim Financial Reporting" (Ind AS), prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion**

4. Attention is invited to note no 13 of the standalone financial results of the company relating to pending REL's application with Hon'ble High Court of Delhi for staying the redemption of 1,500,000 non-convertible preference shares of the Company held by Oscar Investments Limited, Promoter's Group Company and due on 31st Oct. 2018 with an approx. redemption value of Rs. 4,190.28 lakhs. Besides this, company is in the process of taking a legal opinion on likely impact of the delayed redemption. Pending the outcome of the application and legal opinion, we are unable to comment the likely implication on the results

**Qualified Conclusion**

5. Based on our review conducted as above *except for the effects of the matters described in paragraph 4 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Indian Accounting Standards ('Ind AS') prescribed under



**S S KOTHARI MEHTA  
& COMPANY**  
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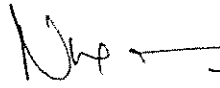
Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Circular including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of Matter**

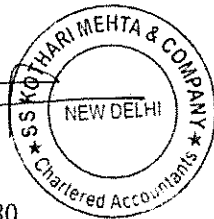
6. Attention is invited to note no 17 of the standalone financial results of the company with respect to the appeal filed with Honorable Debt Recovery Appellate Tribunal for dismissal of application filed by the company for setting aside and deletion of Company's name in the legal proceedings between Axis Bank & Religare Capital Markets International (Mauritius) Limited (i.e RCMIML) wherein the company had issued the non-disposal undertaking (i.e NDU) with respect to the shares of RHICL for a standby letter of credit facility availed by RCMIML from Axis Bank (claimed amount of Rs 31,293 lakhs). The management has represented that it has been legally advised that the said NDU does not contemplate any payment/ repayment obligations on the company in case of any default on the part of RCMIML. We have relied on the representation of the management.

Our report is not qualified on this matter.

For **S. S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Reg. no. - 000756N

  
**Naveen Aggarwal**  
Partner

Membership No. - 094380



UDIN -19094380AAAACI3223

Place: New Delhi

Date: 8<sup>th</sup> Aug, 2019

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of Religare Enterprises Limited for the quarter ended June 30, 2019.**

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

1. We have reviewed the accompanying statement of unaudited Consolidated Financial Results ("the Statement") of Religare Enterprises Limited ("the Parent"), its subsidiaries (the Parent and its subsidiary together referred to as "the Group") and joint venture for the quarter ended June 30, 2019, attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("Circular). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and preceding quarter ended March 31, 2019, as reported in these financial results have been approved by the Parent's Board of Directors but have not been subjected to review.
2. This statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 (Ind AS 34), "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India read with Circular. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the financial results of the following entities:

**List of Subsidiaries**

- i. Religare Global Asset Management Inc. (RGAM Inc);
- ii. Religare Credit Advisors 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);\*

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& COMPANY  
— CHARTERED ACCOUNTANTS —

- 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.

**5. Basis for Qualified Conclusion**

- i. Attention is invited to note no. 13 of the statement of the company relating to pending REL's application with Hon'ble High Court of Delhi for staying the redemption of 15,00,000 Non-Convertible Preference Shares of the Company held by Oscar Investments Limited, Promoter's Group Company and due on October 31, 2018 with an approx. redemption value of Rs. 4190.28 lakhs. Pending the outcome of the application, we are unable to comment on the likely implication on the statements.

Basis for qualification on subsidiary Companies:-

**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 in the above context, we state as under:

- 1) Adjustment of fixed deposits of Rs. 79145 lakhs (excluding Rs. 2703.39 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 of Delhi for declaration and recovery. However, during the quarter Company 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. Pending disposal of the case, we are unable to comment on the status of recoverability and classification of the reported balance. Refer Note no. 24 of the Statement.



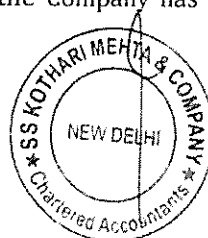
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CHARTERED ACCOUNTANTS

- 2) a) Loans given to certain companies appearing in Corporate Loan Book (CLB portfolio) aggregating to Rs. 203670 lakhs as on June 30, 2019 (Rs. 203670 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 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 RFL against these companies continued to be under Insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Delhi. Most of these proceedings are stayed by the Hon'ble Supreme Court in its order dated April 5, 2019 in case of M/s Daiichi Sankyo Company Limited Versus Oscar Investments Limited & Ors. Refer Note no. 20 of the Statement.
- b) Further, RFL has subscribed to Non-Convertible Debentures of a corporate entity of Rs. 20000 lakhs in December 2016 (Impairment of Rs. 14105.22 lakhs (Rs. 13004.70 lakhs till March 31, 2019) considered till June 30, 2019) and extended loan of Rs 5000 lakhs (ECL fully provided) to one of the corporate. Due to default in making repayment of NCD/loan to the Company, it has filed the cases against both the parties under Insolvency and Bankruptcy Code (IBC) before the Hon'ble NCLT Kolkata. Refer Note no. 20 of the Statement.

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.

**b) Religare Housing Development Finance Corporation Limited ('RHDFC')**

- i. Attention is invited to Note no. 25 of the unaudited financial results for the quarter ended June 30<sup>th</sup> 2019 in relation to transaction with a trust namely "RARC 059 (RHDFC 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 Company, based on the legal opinion obtained it was a true sale. Considering that Company had derecognized NPA loan receivables and had recognized security receipts as investments in the books of accounts amounting to Rs.1,936.81 Lakhs as on 31<sup>st</sup> March 2019. The value of the aforesaid investments as on 30<sup>th</sup> June 2019 is Rs. 1,914.69 Lakhs. As per Ind AS-109, derecognition of financial assets shall take place only if substantial risk and reward has been transferred. However, in the referred transaction of security receipts, the Company may remain exposed to substantial risk of return.
- ii. During the previous financial year 2018-19, some of the lenders had increased interest rates mainly due to downgrade in External Credit rating (ECR) of the Company. The Company had protested for such increase in the interest rate and had not serviced increased interest rate. Further, Company has not made the provision of increased amount of Interest amounting to Rs. 68.93 lakhs for the quarter ended June 30, 2019 (Rs. 224.88 lakhs as on March 31<sup>st</sup>, 2019, but the Company has disclosed the same as contingent liability in the financial statements).



6. **Qualified Conclusion**

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, *except for the effects/ possible effects of the matters described in paragraph 5 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

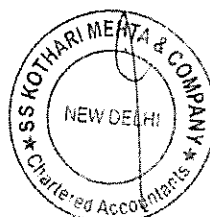
7. **Emphasis of Matter**

- i. Attention is invited to Note no. 17 to the statement of the Company with respect to the appeal filed with Hon'ble Debt Recovery Appellate Tribunal against dismissal of application filed by the company for vacation of stay dated Mar 21, 2018 qua the company and deletion of Company's name from the legal proceedings between Axis Bank & Religare Capital Markets International (Mauritius) Limited (i.e RCMIML) wherein the company had issued the non-disposal undertaking (i.e. NDU) with respect to the shares of RHICL for a standby letter of credit facility availed by RCMIML from Axis Bank (claimed amount of Rs 31293 lakhs). The management has represented that it has been legally advised that the said NDU does not contemplate any payment/ repayment obligations on the company in case of any default on the part of RCMIML. We have relied on the representation of the management.
- ii. Attention is invited to Note no. 5 to the statement in relation to non-consolidation of financials of Religare Capital Markets Limited, subsidiary of the Company, based on management assessment of non-existence of control through voting rights and existence of significant restrictive covenants on major decision making at RCML have been imposed by the holder of the preference shares, we have relied on the management representation.

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. 79367.20 Lakhs (fully provided for in the financial year ending March 31, 2017) and expect that there will not be any obligation on the Company out of these cases.



SS KOTHARI MEHTA  
& COMPANY  
Chartered Accountants

- ii. RFL continued to carry Deferred Tax Assets amounting to Rs. 49315.69 Lakh as at June 30, 2019 (Rs. 49315.69 Lakh as at March 31, 2019) considering the availability of future taxable profit against which the deductible temporary differences and unused tax losses can be utilized. We have relied on the management's assessment. Refer Note no. 24(iii) of the Statement.
- iii. We refer to point no. 8 of the statement in relation to accounts of RFL continued to be prepared on the basis of going concern assumption considering various developments in the quarter ended June 30, 2019. We have relied on the management's representation.

b) **Religare Comtrade Limited ('RCTL')**

- i. The nature of operations of the Company may qualify under the definition of Non-Banking Finance Company (i.e NBFC) in accordance with requirements of Reserve Bank of India Act, 1934 and related regulations. However, the Company (RCTL) is not required to be registered as NBFC based on legal opinion obtained by the company.

c) **Religare Advisors Limited (Formerly known as Religare Wealth Management Limited) ('RAL')**

- i. Accounts of RAL, indirect subsidiary of the Company continued to be prepared on realizable value basis in the quarter ended June 30, 2019 in view of no commercial operations for the last three previous financial years. ( Refer Note 30 of the statement )

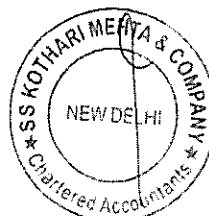
Our conclusion is not modified for the matters stated in paragraph 7 above.

**Other Matters**

8. We did not review the financial results of one subsidiary included in the unaudited consolidated financial results, whose financial results reflect total revenue of Rs. 32,817.50 lakhs, total net profit after tax of Rs. 790.22 lakhs and total comprehensive Income of Rs. 1014.45 lakhs for the quarter ended June 30, 2019 as considered in the unaudited consolidated financial results. These financial results have been reviewed 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 this subsidiary, is based solely on the report of the other auditors and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

9. The unaudited consolidated financial results include the financial results of three subsidiaries including one subsidiary incorporated outside India which have not been reviewed by their auditors, whose financial results reflect total revenue of Rs. NIL, total net profit / (loss) after tax of Rs. (0.18) lakhs and total comprehensive income / (loss) of Rs. (0.18) lakhs for the quarter ended June 30, 2019 as considered in the unaudited consolidated financial results whose financial results have not been reviewed by us. According to the information and explanations given to us by the Management, these financial results are not material to the Group.



**SS KOTHARI MEHTA  
& COMPANY**  
CHARTERED ACCOUNTANTS

10. The unaudited consolidated financial results includes Group share of net profit/(loss) after tax of Rs ( 2.00) lakhs and total comprehensive income / (loss) of Rs. (2.00) lakhs for the quarter ended June 30, 2019 as considered in the unaudited consolidated financial results, in respect of one joint venture based on their financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

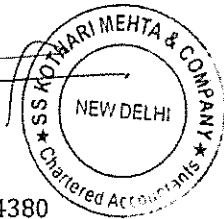
Our conclusion on the Statement is not modified in respect of the above matter.

For S S Kothari Mehta & Company  
Chartered Accountants  
Firm Reg. no. - 000756N

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**Naveen Aggarwal**  
Partner

Membership No. - 094380



UDIN - 19094380AAAACJ9801

Place: New Delhi

Date: August 8, 2019



**Brief profile of Mr. Ashish Tyagi****Annexure C**

Ashish Tyagi holds total post qualification experience of 20 years in Manufacturing and service sector in areas like Financial Planning & Analysis, Fund Raising & Management, Financial accounting, Strategic Management, Statutory Compliance, and Budgeting & Forecasting among others.

Prior to joining Religare, Ashish has worked in various organisations where he has driven multiple assignments to success such as finance head, decentralizing accounting operations at regional level, implementing monthly budgetary controls including variance monetary mechanism, conceptualizing inventory valuation mechanism of equity fund raising etc.

Ashish has completed PGDBM (Finance) from JIMS, Cost Accountancy from ICWAI and B. Com. from Delhi College of Arts & Commerce, Delhi University.

**Annexure D**

The disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the ESOP Scheme is as below:

Brief details of options granted	Grant of 6,00,000 (Six Lakhs) Stock Options to the Eligible Employees
Whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (if applicable)	Yes, The Board of Directors and Shareholders have approved the Scheme which is in conformity of the SEBI (SBEB) Regulations, 2014
Total number of shares covered by these options	6,00,000 Shares (Six Lakhs) (Each stock option is convertible into One equity share of face value of Rs. 10/- each)
Pricing formula	Rs. 30.85 per share upon exercise of stock options
Options vested / Vesting Schedule	NA /  Options will be vested between 1 year to 4 years from the date of Grant
Time within which option may be exercised	Not later than 8 (eight) years from the date of vesting