

February 11, 2022

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400051
Scrip Symbol: RELIGARE

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001
Scrip Code: 532915

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

Dear Sir(s),

With reference to the captioned subject, we would like to inform you that the Board of Directors at their meeting held today i.e. February 11, 2022 (commenced at 12.00 Noon and concluded at 8.20 p.m.) have:

1. Approved the Un-Audited Financial Results (Standalone & Consolidated) of the Company (which have been subjected to Limited Review by the Statutory Auditors) for the quarter ended December 31, 2021 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations ("SEBI Listing Regulations")

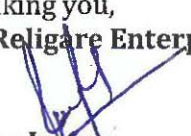
Copy of Un-Audited Financial Results (Standalone & Consolidated) along with the Limited Review Reports of M/s S.P. Chopra & Co., Statutory Auditors of the Company, is enclosed herewith.

Further, pursuant to Regulation 32 of SEBI Listing Regulations read with SEBI circular CIR/CFD/CMD1/162/2019 dated December 24, 2019 statement of deviation or variation for quarter ended December 31, 2021 is annexed therewith.

2. Taken note of termination of the Shareholders' Agreement dated September 12, 2013 ("Shareholders' Agreement") entered between the Company and CUBI India Ventures Pte. Ltd. ("CUBI"). Since, the shareholding of CUBI along with its Affiliates in the Company has fallen below the prescribed threshold mentioned in the Shareholders' Agreement, the Shareholders Agreement stands terminated.
3. Approved to amend the Articles of Association of the Company by removing the provisions relating to the CUBI Shareholders Agreement, subject to requisite approvals. Also the shareholders' approval in the matter shall be obtained in due course of time.

This is for your kind information and record.

Thanking you,
For Religare Enterprises Limited


Reena Jayara
Company Secretary
Encl.: as above



Religare Enterprises Limited

CIN: L74899DL1984PLC146935

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

Corporate Office: Plot No. A – 3, 4 & 5, Club 125, Tower B, Sector – 125, Noida – 201301, U.P.

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RELIGARE ENTERPRISES LIMITED

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

A. Statement of Standalone and Consolidated Unaudited Financial Results for the Quarter and Nine Months Period Ended December 31, 2021

(Rs. in Lakhs, unless otherwise stated)

S. No.	Particulars	Standalone Results						Consolidated Results					
		Quarter Ended			Nine Months Period Ended		Year Ended	Quarter Ended			Nine Months Period Ended		Year Ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue												
	(a) Revenue from Operations												
	Interest Income	143.67	150.23	186.77	478.64	430.58	613.30	11,182.93	10,729.07	14,039.07	33,624.30	42,119.77	53,767.91
	Fee and Commission Income	-	-	-	-	-	-	223.05	156.67	146.35	506.13	279.19	701.84
	Net Gain on Fair Value Changes	-	-	-	-	-	-	412.33	261.63	-	693.61	-	35.08
	Sale of Services (Income from Broking Operations)	-	-	-	-	-	-	5,918.90	5,696.97	4,852.62	16,956.45	14,871.50	20,484.63
	Other Revenue From Operations	-	-	-	-	-	-	-	-	-	-	-	-
	Income From Insurance Premium (Net)	-	-	-	-	-	-	64,711.19	62,384.84	41,866.24	174,063.92	116,143.65	172,946.95
	Other	10.77	64.31	-	75.08	3.32	3.32	245.22	251.22	354.07	677.33	586.21	740.50
	Total Revenue from Operations	154.44	214.54	186.77	553.72	433.90	616.62	82,693.62	79,480.40	61,258.35	226,521.74	174,000.32	248,676.91
	(b) Other Income	701.65	627.47	582.84	1,582.59	10,419.36	11,261.57	5,432.25	9,321.70	782.96	15,166.06	2,960.71	4,370.03
	Total Revenue (a+b)	856.09	842.01	769.61	2,136.31	10,853.26	11,878.19	88,125.87	88,802.10	62,041.31	241,687.80	176,961.03	253,046.94
2	Expenses												
	(a) Finance Costs	4.68	77.87	106.75	198.50	311.72	417.95	19,671.06	18,966.54	17,988.82	55,883.73	53,433.18	72,492.30
	(b) Fee and Commission Expenses	-	-	-	-	-	-	5,991.80	3,275.99	3,293.75	12,016.48	5,735.41	8,888.14
	(c) Net Loss on Fair Value Changes	-	-	44.52	-	87.36	76.74	-	-	46.27	-	71.97	-
	(d) Impairment and Loss Allowances on Financial Instruments	-	-	-	0.19	329.02	336.04	7,798.79	31,854.16	790.74	40,650.23	11,185.97	9,443.26
	(e) Employee Benefits Expense	556.15	867.82	418.45	2,075.46	1,512.68	1,924.96	19,828.00	18,510.42	15,016.92	57,056.11	45,037.34	58,554.66
	(f) Depreciation and Amortisation Expense	34.47	34.45	35.28	103.53	80.92	115.86	1,352.38	1,312.06	1,428.27	3,951.41	4,471.52	5,884.14
	(g) Other Expenses	475.92	662.24	574.97	1,772.04	1,848.63	2,571.71	58,502.21	52,135.51	34,921.26	168,886.86	98,044.22	147,522.14
	Total Expenses (a to g)	1,071.22	1,642.38	1,179.97	4,149.72	4,170.33	5,443.26	113,144.24	126,054.68	73,486.03	338,444.82	217,979.61	302,784.64
3	Profit / (Loss) before Share in Joint Ventures and Tax (1-2)	(215.13)	(800.37)	(410.36)	(2,013.41)	6,682.93	6,434.93	(25,018.37)	(37,252.58)	(11,444.72)	(96,757.02)	(41,018.58)	(49,737.70)
4	Share in Profit / (Loss) of Joint Venture	-	-	-	-	-	-	(0.59)	(0.28)	(0.67)	(1.30)	(7.89)	(8.41)
5	Profit / (Loss) before Tax (3-4)	(215.13)	(800.37)	(410.36)	(2,013.41)	6,682.93	6,434.93	(25,018.96)	(37,252.86)	(11,445.39)	(96,758.32)	(41,026.47)	(49,746.11)
6	Tax Expense / (credit)												
	(a) Current Tax	-	-	-	-	-	-	37.50	32.32	97.70	101.94	331.11	1,871.59
	(b) Tax for Earlier Years Provided / (Written Back)	(59.73)	(23.45)	(270.97)	(80.14)	(270.97)	(136.36)	(41.84)	(17.89)	(258.02)	(11.07)	(254.89)	(60.13)
	(c) Deferred Tax (Net)	-	-	-	-	-	171.59	36.32	3,134.40	(38.02)	(1,788.23)	(55.84)	(3,775.82)
7	Net Profit / (Loss) for the period (5-6)	(155.40)	(776.92)	(139.39)	(1,933.27)	6,953.90	6,399.70	(25,050.94)	(40,401.69)	(11,247.05)	(95,060.96)	(41,046.85)	(47,781.75)



8	Other Comprehensive Income												
	A) (i) Items that will not be reclassified to profit or loss												
	Remeasurement Gain/(Loss) on Defined Benefit Plans	(4.95)	(14.70)	1.78	(14.85)	27.40	41.69	52.70	(21.98)	(161.86)	126.52	97.36	555.88
	Fair Value Gain / (Loss) on Equity Instruments Designated as FVTOCI	-	-	-	-	-	-	129.99	(49.05)	14.07	87.97	26.21	(87.11)
	Income Tax Impact on Above Items	-	-	-	-	-	-	-	-	-	-	-	(8.83)
	B) (i) Items that will be reclassified to profit or loss												
	Net Gain / (Loss) on Other Approved Securities FVTOCI	-	-	-	-	-	-	62.73	595.61	2,691.61	48.86	4,820.82	2,406.21
	Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	(2.04)	(0.03)	0.80	(3.39)	2.83	2.71
	Income Tax Impact on Above Items	-	-	-	-	-	-	-	-	-	-	-	-
9	Total Comprehensive Income for the Period, Net of Tax (7+8)	(160.35)	(791.62)	(137.61)	(1,948.12)	6,981.30	6,441.39	(24,807.56)	(39,877.14)	(8,702.43)	(94,801.00)	(36,099.63)	(44,912.89)
10(a)	Profit/(Loss) for the Period attributable to:												
	Non Controlling Interest	-	-	-	-	-	-	(87.38)	2,512.10	97.88	(1,898.96)	829.00	3,064.38
	Owners of the Parent	-	-	-	-	-	-	(24,963.56)	(42,913.79)	(11,344.93)	(93,162.00)	(41,875.85)	(50,846.13)
		-	-	-	-	-	-	(25,050.94)	(40,401.69)	(11,247.05)	(95,060.96)	(41,046.85)	(47,781.75)
10(b)	Other Comprehensive Income attributable to:												
	Non Controlling Interest	-	-	-	-	-	-	69.27	172.30	784.48	69.03	1,402.60	711.79
	Owners of the Parent	-	-	-	-	-	-	174.11	352.25	1,760.14	190.93	3,544.62	2,157.07
		-	-	-	-	-	-	243.38	524.55	2,544.62	259.96	4,947.22	2,868.86
10(c)	Total Comprehensive Income attributable to:												
	Non Controlling Interest	-	-	-	-	-	-	(18.11)	2,684.40	882.36	(1,829.93)	2,231.60	3,776.17
	Owners of the Parent	-	-	-	-	-	-	(24,789.45)	(42,561.54)	(9,584.79)	(92,971.07)	(38,331.23)	(48,689.06)
		-	-	-	-	-	-	(24,807.56)	(39,877.14)	(8,702.43)	(94,801.00)	(36,099.63)	(44,912.89)
11	Paid-up Equity Share Capital (Face Value of equity share Rs. 10 each)	31,838.58	31,805.48	25,892.52	31,838.58	25,892.52	25,941.39	31,838.58	31,805.48	25,892.52	31,838.58	25,892.52	25,941.39
12	Other Equity (Excluding Revaluation Reserve) as shown in the Audited Balance Sheet	N.A.	N.A.	N.A.	N.A.	N.A.	131,976.20	N.A.	N.A.	N.A.	N.A.	N.A.	(30,650.03)
13	Earnings per equity share ("EPS") (not annualised)												
	(a) Basic EPS (Rs.)	(0.05)	(0.24)	(0.05)	(0.66)	2.69	2.47	(7.84)	(13.95)	(4.38)	(31.59)	(16.19)	(19.65)
	(b) Diluted EPS (Rs.)	(0.05)	(0.24)	(0.05)	(0.66)	2.66	2.41	(7.84)	(14.00)	(4.38)	(31.59)	(16.21)	(19.69)



B. Unaudited Segment-wise Revenue, Results, Assets & Liabilities for Standalone and Consolidated Financial Results for Quarter and Nine Months Period Ended December 31, 2021

(Rs. in Lakhs, unless otherwise stated)

S. No.	Particulars	Standalone Results						Consolidated Results					
		Quarter Ended			Nine Months Period Ended		Year Ended	Quarter Ended			Nine Months Period Ended		Year Ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE												
	(a) Investment and Financing Activities	548.72	478.24	186.77	1,225.43	9,207.53	9,392.93	5,978.66	6,022.46	9,774.11	18,840.76	29,768.93	38,170.95
	(b) Support Services	213.00	254.18	373.48	698.62	985.99	1,372.20	-	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	-	6,751.05	6,212.30	5,122.62	18,817.33	15,855.91	21,756.47
	(d) E-Governance	-	-	-	-	-	-	730.58	798.79	621.78	2,025.14	1,558.00	2,331.78
	(e) Insurance	-	-	-	-	-	-	74,802.55	76,035.31	46,465.61	202,639.54	128,680.39	190,444.78
	(f) Unallocated	94.37	109.59	209.36	212.26	659.74	1,113.06	257.22	114.68	250.50	387.84	1,620.78	1,248.02
	Total	856.09	842.01	769.61	2,136.31	10,853.26	11,878.19	88,520.06	89,183.54	62,234.62	242,710.61	177,484.01	253,952.00
	Less : Inter-Segment Revenue	-	-	-	-	-	-	(394.19)	(381.44)	(193.31)	(1,022.81)	(522.98)	(905.06)
	Income from Operations	856.09	842.01	769.61	2,136.31	10,853.26	11,878.19	88,125.87	88,802.10	62,041.31	241,687.80	176,961.03	253,046.94
2	SEGMENT RESULTS												
	Profit/ (Loss) Before Tax from Segment												
	(a) Investment and Financing Activities	(301.94)	(651.10)	(737.27)	(1,417.53)	5,425.99	4,627.59	(25,762.94)	(49,623.88)	(12,007.35)	(91,060.68)	(46,315.12)	(59,625.11)
	(b) Support Services	(7.56)	(258.88)	117.55	(808.14)	597.20	694.28	-	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	-	789.67	834.04	157.13	1,921.83	710.97	926.74
	(d) E-Governance	-	-	-	-	-	-	153.95	227.50	157.40	451.01	386.08	529.57
	(e) Insurance	-	-	-	-	-	-	(431.87)	11,251.28	227.11	(8,319.24)	2,956.97	7,392.45
	(f) Unallocated	94.37	109.61	209.36	212.26	659.74	1,113.06	232.23	58.20	20.32	248.76	1,234.63	1,031.31
	Total	(215.13)	(800.37)	(410.36)	(2,013.41)	6,682.93	6,434.93	(25,018.96)	(37,252.86)	(11,445.39)	(96,758.32)	(41,026.47)	(49,745.04)
	Less : Interest Expense	-	-	-	-	-	-	-	-	-	-	-	1.07
	Tax Expense	(59.73)	(23.45)	(270.97)	(80.14)	(270.97)	35.23	31.98	3,148.83	(198.34)	(1,697.36)	20.38	(1,964.36)
	Add: Other Comprehensive Income	(4.95)	(14.70)	1.78	(14.85)	27.40	41.69	243.38	524.55	2,544.62	259.96	4,947.22	2,868.86
	Total Profit / (Loss) After Tax	(160.35)	(791.62)	(137.61)	(1,948.12)	6,981.30	6,441.39	(24,807.56)	(39,877.14)	(8,702.43)	(94,801.00)	(36,099.63)	(44,912.89)
3	SEGMENT ASSETS												
	(a) Investment and Financing Activities	254,149.03	254,552.27	202,235.21	254,149.03	202,235.21	203,940.86	483,649.40	496,492.71	412,856.00	483,649.40	412,856.00	486,175.28
	(b) Support Services	595.52	718.80	148.26	595.52	148.26	333.94	-	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	-	91,562.46	97,249.74	72,937.19	91,562.46	72,937.19	72,164.15
	(d) E-Governance	-	-	-	-	-	-	1,925.42	1,847.39	1,750.21	1,925.42	1,750.21	1,686.53
	(e) Insurance	-	-	-	-	-	-	357,130.57	326,660.85	286,042.25	357,130.57	286,042.25	303,582.45
	(f) Unallocated	4,407.62	4,308.70	5,293.11	4,407.62	5,293.11	4,266.77	9,445.87	9,502.23	130,455.57	9,445.87	130,455.57	8,948.74
	Total Segment Assets	259,152.17	259,579.77	207,676.58	259,152.17	207,676.58	208,541.57	943,713.72	931,752.92	904,041.22	943,713.72	904,041.22	872,557.15
4	SEGMENT LIABILITIES												
	(a) Investment and Financing Activities	41,243.11	41,172.07	47,219.40	41,243.11	47,219.40	48,194.58	629,715.42	616,673.57	623,821.03	629,715.42	623,821.03	589,875.38
	(b) Support Services	3,458.27	3,833.02	2,064.51	3,458.27	2,064.51	2,273.23	-	-	-	-	-	-
	(c) Broking Related Activities	-	-	-	-	-	-	59,844.05	66,438.14	54,396.44	59,844.05	54,396.44	52,614.49
	(d) E-Governance	-	-	-	-	-	-	1,925.42	1,847.39	1,750.21	1,925.42	1,750.21	1,686.53
	(e) Insurance	-	-	-	-	-	-	239,511.60	219,286.08	183,185.52	239,511.60	183,185.52	194,766.49
	(f) Unallocated	64.44	91.85	85.63	64.44	85.63	156.18	4,657.70	4,963.94	3,674.29	4,657.70	3,674.29	3,832.10
	Total Segment Liabilities	44,765.82	45,096.94	49,369.54	44,765.82	49,369.54	50,623.99	935,654.19	909,209.12	866,827.49	935,654.19	866,827.49	842,774.99

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.



Notes:

- 1 The standalone financial results of Religare Enterprises Limited, a Non-Deposit Taking Systematically Important Core Investment Company (the 'Company / Parent / REL') and the consolidated financial results of the Company and its Subsidiaries, Step Down Subsidiaries and Joint Venture (together referred to as 'the Group'), have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the other relevant provisions of the Companies Act, 2013, and the Master Directions / Guidelines issued by Reserve Bank of India as applicable and relevant to Core Investment Companies / Non Banking Financial Companies (the 'NBFC Regulations'), as amended from time to time. The notified Indian Accounting Standards (Ind AS) are followed by the Company / Group in so far as they are not inconsistent with the NBFC Regulations.
- 2 These standalone and consolidated financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on February 11, 2022. The Statutory Auditors have carried out a limited review of these financial results.
- 3 Though the Company has investment in the equity shares of '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', severe long term restrictions and significant restrictive covenants have been imposed on major decision making at RCML, by the holders of preference shares in RCML. Considering the same, the financial results of RCML and its subsidiaries have not been considered in the consolidated financial results of the Company, in accordance with the applicable accounting standards. The Company has fully impaired the value of its investment in RCML. The net worth of the RCML as per the last audited financial statements as at March 31, 2017 was negative by Rs. 61,971.95 lakhs, and thereafter, the financial statements/results of RCML are not available with the Company. There is a contingent liability of Rs. 4,078 lakhs towards uncalled equity shares capital of RCML.
- 4 The outbreak of COVID-19 pandemic has created economic disruption throughout the world including India. The Company / Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial results and as at the date of approval of these financial results. The Company / Group expects to recover the carrying amount of all its assets including investments and loans in its ordinary course of business. In the case of a Subsidiary Company, Care Health Insurance Limited (CHIL), carrying on the business of Health Insurance, in accordance with IRDAI Assets Liability and Solvency Margin Regulations, 2016, Premium Deficiency Reserve (PDR) is to be maintained at insurer level. However, the increasing pace of inoculation amongst the population and other efforts by the Government / medical organizations may likely to help mitigate some of the adverse impact of COVID-19, and also, the number of covid related hospitalisations are showing a reduced trend in current wave in comparison to the number of hospitalisations observed during the earlier waves. It was also observed that the growth of business is significantly better in current financial year, as compared to previous financial year leading to higher proportion of Unearned Premium Revenue (UPR) available for future claims. Considering the same, the Appointed Actuary of CHIL has advised the PDR of Rs. Nil as at December 31, 2021 as compared to Rs. 4,990.79 lakhs as at September 30, 2021 and Rs. 13,587.82 lakhs as at March 31, 2021, and accordingly the PDR of Rs. 4,990.79 lakhs and Rs. 8,597.03 lakhs has been reversed during the quarter ended December 31, 2021 and September, 2021 respectively (Rs. 13,587.82 lakhs reversed during nine months ended December 31, 2021). As certified by the Appointed Actuary the assumptions used for such estimation are appropriate (based on available information) and method for estimation of PDR is in accordance with the requirements of the IRDAI.
Apart from the above, the COVID 19 has put constraints on recovery of overdues from the customers of subsidiaries carrying on the lending business, viz. Religare Finvest Limited (the 'RFL') and Religare Housing Development Finance Corporation Limited (the 'RHDFCL') due to various exemptions and regulatory measures announced by the Reserve Bank of India and other regulators / authorities with respect to the deferment of the recovery and waiver of interest etc., which these subsidiaries have fully followed / complied, and the impact thereof has been taken in these financial results. The Company / Group currently does not seem to be materially impacted by the COVID-19 pandemic unless the Country observes a fresh wave of COVID-19 with severe characteristic, however, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature, emerging mutants and duration, and therefore, the Company / Group will continue to monitor any material changes in future economic and business conditions, and the impact thereof, if any, required will be taken accordingly.
- 5 The Company has allotted 331,000 equity shares and 4,406,150 equity shares during the quarter ended December 31, 2021 and September 30, 2021 respectively (4,815,150 equity shares during nine months ended December 31, 2021), and thereafter post end of the current quarter 357,499 equity shares have been allotted on January 27, 2022, pursuant to exercise of stock options granted under "Religare Enterprises Limited Employees Stock Option Plan 2019" (REL ESOP Scheme 2019). These equity shares of face value of Rs. 10/- each have been allotted at an exercise price ranging from Rs. 24.10 per share to Rs. 39.55 per share. Further, the Company has granted 350,000 stock options at a grant price of Rs. 159.25 per share on November 12, 2021 under REL ESOP Scheme 2019. Pursuant to the said allotment and allotments referred in note 6 below, the issued, subscribed and paid up equity capital of the Company stands increased to Rs. 3,187,433,120 divided into 318,743,312 equity shares of Rs. 10 each as on date. Further, the Company does not fall under the classification of Large Corporate Borrower as mentioned under the SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.
- 6 The Company, on July 14, 2021 had made the preferential allotment of 54,156,761 equity shares of face value of Rs. 10 each in terms of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, at an issue price of Rs. 105.25 per share (including premium of Rs. 95.25 per share) in terms of the approval of the Board of Directors and Shareholders of the Company obtained on June 08, 2021 and July 03, 2021 respectively and accordingly had raised Rs. 57,000 lakhs from the said issue. Out of Rs. 57,000 lakhs, the Company had utilized Rs. 5,000 lakhs as an equity investment in Religare Broking Ltd., a wholly owned subsidiary of the Company and Rs. 6,858 lakhs for loan repayment to another wholly owned subsidiary, Religare Comtrade Limited which is in line with objects of preferential issue mentioned in the EGM notice sent to shareholders. The balance amount is parked in short term money market mutual funds. The required disclosure / information in this respect is given in the enclosed Annexure - A.
- 7 The Company continues to be barred from declaring dividends as per RBI letter issued in December, 2019.



- 8 (i) On December 18, 2019, the Board of Directors of the Company approved, subject to requisite approvals, the draft Scheme of Amalgamation (the "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. w.e.f. April 01, 2019. The Scheme has been filed with the Hon'ble NCLT, Delhi on October 31, 2020. The application for second motion has been filed on December 30, 2021 with the Hon'ble NCLT and is pending for approval.
- (ii) The Company has given letter of comfort to Religare Comtrade Limited ("RCTL"), a wholly owned subsidiary of the Company to provide it the financial support. The Company has booked a financial liability of Rs. 11,112.91 lakhs till December 31, 2021 (reversal of Rs. 8.64 lakhs during the quarter ended December 31, 2021, and additions of Rs. 15.73 lakhs and Rs. 144.01 lakhs during the quarter ended September 30, 2021 and nine months ended December 31, 2021 respectively) towards the negative net worth of RCTL, against the said letter of comfort. There is no impact of the same on the consolidated financial results.
- 9 In accordance with the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and relevant guidelines and circulars issued by SEBI, the Company has filed a Joint Settlement Application on March 31, 2021 against the Show Cause Notice dated November 17, 2020 received by the Company from SEBI in the matter of investigation of the Company, initiated in February, 2018. In this regard, a settlement has been suggested in the last Internal Committee (IC) Meeting of SEBI held on December 23, 2021, which has been requested for reconsideration by REL and RFL by sending their representation vide email dated December 24, 2021. REL and RFL have also requested for an opportunity of presenting their views in a meeting with SEBI. Response from SEBI in this regard is awaited. REL and RFL are pursuing the matter appropriately, and the impact thereof, if any, required will be taken at the time of its final decision / outcome.
- 10 The Company has not redeemed 15 lakhs preference shares issued by the Company to Oscar Investments Limited, which had become due for redemption on October 31, 2018 having the redemption value of Rs. 4,190.28 lakhs, as it has disputed the said transaction to be an illegal one and has filed a police complaint against it with Economic Offence Wing (EOW). In the matter of Daiichi Sankyo Company Limited (the 'Daiichi') vs. Malvinder Mohan Singh and Others, the Company has been made a garnishee with regards to these preference shares. The Company has filed an interim application disputing its liability as a garnishee. The preference shares stand transferred in the account of the Court receiver. The Decree Holder i.e. Daiichi has filed an application by suppressing the fact that the entire shareholding of RHC Holdings Pvt. Ltd. in Elive Infotech Pvt. Ltd. had been pledged in favour of Religare Finvest Limited (RFL), the wholly owned subsidiary of the Company, as a security for various loans to group companies of RHC Holdings Pvt. Ltd and obtained a status quo order on the brand "Religare". RFL has filed an objection application in the said proceedings. RFL has also filed an objection application against the release of properties to Daiichi. The matter is sub-judice.
- The Company has also filed a petition with Hon'ble NCLT, Delhi under Section 55 and 59 of the Companies Act, 2013 seeking rectification of Register of Members of the Company w.r.t. 250 Lakhs preference shares issued by the Company to RHC Finance Pvt. Limited, which had become due for redemption on August 30, 2021, having the redemption value of Rs. 4,212.75 lakhs, alleging the transaction to be a fraudulent one and has sought cancellation of preference shares along with stay on voting rights in the interim. On September 29, 2021, the Hon'ble NCLT directed ordering the status quo on the respondents to restrain them from exercising their voting power with the resolution, until the further orders. Further, vide order dated December 16, 2021, it was affirmed by Hon'ble NCLT that interim orders will continue. The matter is sub-judice. Due to aforementioned reasons the Company has not redeemed said 250 Lakhs preference shares.
- However, to be prudent, the Company has created adhoc provision of Rs. 1,812.71 lakhs till December 31, 2021 (Rs. 266.50 lakhs and Rs. 603.64 lakhs during the quarter and nine months ended December 31, 2021 respectively and Rs. 1,209.07 lakhs till March 31, 2021) on the redemption value of above preference shares, towards the potential interest liability, if any, which may arise from the final outcome of these matters.
- 11 In the matter of Malvinder Mohan Singh vs. Religare Enterprises Limited and Others, in Hon'ble High Court of Delhi, Malvinder Mohan Singh has filed Suit for declaration that termination of Indemnity and Release Agreement dated November 14, 2017 by the Company is unlawful. No notice has been issued so far on the said Petition. The Company has raised objections regarding maintainability of the said suit. The matter is sub-judice.
- 12 Religare Finvest Limited (RFL) is facing significant asset liability mismatches as a result of misappropriation and embezzlement of its funds under the control of the erstwhile promoters. RFL has made defaults in repayment of its obligation towards its lenders and an amount of Rs. 478,942 lakhs is overdue as on December 31, 2021 (Rs. 329,602.94 lakhs as on March 31, 2021) towards borrowings and interest thereon. Further, RFL has not redeemed the Unsecured Rated Listed Redeemable Non-Convertible Subordinated Debentures aggregating to Rs. 11,528 lakhs comprising of principal of Rs. 10,000 lakhs and interest of Rs. 1,528 lakhs overdue as at December 31, 2021. Further, RFL has continued to incur losses, which has resulted in erosion of its net worth and its Capital to Risk Weighted Assets Ratio (CRAR) 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 not to pay dividend. In this regard, RFL is taking necessary corrective measures as advised by RBI and will seek removal of CAP in due course. During the year ended March 31, 2021, RFL proposed its Debt Restructuring Plan (DRP) to the lenders with the Company (Religare Enterprises Limited) as promoter in terms of RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 07, 2019 to realign its debt with cash flows, and after the required compliances and requisite approvals, the RFL has received a letter dated June 03, 2021 from State Bank of India (the lead bank) stating that the proposal is under consideration on merit (with REL as a shareholder) and will be considered, if it is in compliance of RBI circular dated June 07, 2019 subject to necessary internal approvals by all Consortium Lenders. Further, RFL has filed a writ petition before the Hon'ble High Court of Delhi against its lending banks seeking cancellation of classification and declaration of the RFL's accounts as Fraud under the RBI's Master Direction on Frauds - Classification and Reporting by Commercial Banks and select FIs dated July 01, 2016 and seeking restructuring of its debts as per Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Direction, 2019 dated June 07, 2019. RFL is taking the necessary corrective measures as advised by RBI and will seek removal of CAP in the due course in-line with implementation of DRP, and accordingly the financial results / statements of RFL have been prepared on Going Concern basis.
- 13 During the year ended March 31, 2018, RFL entered into a settlement agreement with Strategic Credit Capital Private Ltd. (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 lakhs (which has been fully provided in the financials results/statements) 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.
- 14 Though RFL has not created any additional Deferred Tax Assets (DTA) during the current quarter / period, however, it is continuing to carry the amount of Rs. 49,315.69 lakhs that was booked as at March 31, 2018 as DTA, considering the availability of future taxable profit at that time, against which the deductible temporary differences and unused tax losses could be utilised. The said DTA already created by RFL is being carried forward with the estimate / assumption that the same will be adjustable in future once the Debt Restructuring Plan (DRP) submitted by RFL is approved and implemented.



- 15 RFL had filed a suit before the Hon'ble High Court of Delhi for recovery of its fixed deposits of Rs. 79,145 lakhs (excluding interest accrued and due of Rs. 2,703.39 lakhs till the date of original maturity i.e. July 20, 2018) misappropriated by the Lakshmi Vilas Bank (LVB). The Hon'ble Court has passed interim Orders directing that status quo be maintained in respect of RFL's current account maintained with LVB. RFL has also filed an application to the Hon'ble Court for substitution of LVB with DBS Bank India Limited (DBS) consequent upon LVB's merger with DBS. Further, State Bank of India and SCCPL along with its associates have filed application for impleadment in the said suit. The Hon'ble Court has directed that all the pending applications be taken up together. The Hon'ble Court further directed that the application for substitution of Defendant i.e. DBS in place of LVB will be taken up on the next date of hearing i.e. February 28, 2022. RFL had also filed a complaint against LVB and others on May 15, 2019 with EOW. The EOW, Delhi has registered a FIR against LVB and 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 taken by the Hon'ble Court of CMM. Also, the ED has lodged an ECIR on the basis of the said FIR. The matter is sub-judice. As the Company has the legal contractual rights on these deposits, as advised by the independent legal experts, and keeping in view the developments in the case particularly filing of FIR and its cognizance by the Hon'ble Court, and consideration of substitution of Defendant i.e. DBS in place of LVB, the adjustment of these deposits by LVB is unlawful and untenable, and as such, they have been considered good for recovery, and the impact thereof, if any required, will be taken at the time of its final outcome.
- 16 During the financial year 2018-19, RHDFCL had entered into a transaction with RARC 059 (RHDFC HL) Trust (Special Purpose Vehicle) wherein it has sold, Gross NPA 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 has derecognized the NPA loan receivables and has recognized SRs as investments in its books of accounts. It shall recognize profit/loss on the SRs based on the evaluation by independent rating agency as stipulated under RBI Regulation. Under Ind AS, the SRs issued by the trust full-fill the criteria for a financial asset and has been recognized in its books. The value of the aforesaid investments as on December 31, 2021 is Rs. 1,699.67 lakhs (as on March 31, 2021: Rs 1,793.01 lakhs).
- 17 Disclosure pursuant to Reserve Bank of India Circular - RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22; Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) read with notification No. RBI/2020-21/16 – DOR.No.BP.BC/3/21.04.048/2020-21, related to Religare Finvest Limited, is given in the enclosed Annexures - B.

18 **Management response on Auditor's Qualifications**

- 18.1 **Qualification:** misappropriation of RFL's fixed deposits of Rs. 79,145 lakhs (excluding interest accrued and due of Rs. 2,703.39 lakhs till the date of original maturity i.e. July 20, 2018) by the Lakshmi Vilas Bank (LVB). RFL had filed suit for the recovery of the said amount misappropriated by LVB placed as fixed deposits with it before the Hon'ble High Court of Delhi. The matter continued to be under litigation, and pending disposal of the case we are unable to comment on the status of recoverability and the classification of the reported balance.

Status: Considering the latest and further development / information as detailed in Note 15 above, the said qualification has been removed and during the current quarter, the said matter has been mentioned under 'Emphasis of Matters'.

- 18.2 **Qualification:** In relation to transaction of RHDFCL with a Trust namely "RARC 059 (RHDFC HL)" (Special Purpose Vehicle) wherein during the financial year 2018-19, Gross NPA of Rs. 3,038.13 lakhs were sold for Rs. 2,278.60 lakhs and the Trust had issued security receipts (SR) in the ratio of 85:15. As informed by RHDFCL, the said transaction was a true sale, in compliance with the applicable RBI norms for securitization, and therefore it had derecognised NPA loan receivables and has recognized security receipts as investments in its 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 total comprehensive loss of the Group for the quarter and nine months ended December 31, 2021 would have increased by Rs. 174.09 lakhs and Rs. 423.60 lakhs respectively and Other Equity as on December 31, 2021 would have decreased by Rs. 844.05 lakhs.

Status: The sale of GNPA to Reliance ARC was concluded within the RBI purview and RHDFCL has obtained true sale opinion for concluding the transaction. Accordingly, RHDFCL has derecognized the NPA loan receivables and has recognized security receipts as investments in the books of accounts. RHDFCL shall recognize profit / loss on the Security Receipts based on the evaluation by independent rating agency as stipulated under RBI Regulation. Under Ind AS, the security receipts issued by the trust full-fill the criteria for a financial asset and has been recognized in its books. (Please refer note 16 above)

Place: New Delhi
Date : February 11, 2022



For and on behalf of the Board of Directors

Rashmi

Dr. Rashmi Saluja
Executive Chairperson



Annexure - A

Statement of Deviation / Variation in utilisation of funds raised	
Name of listed entity	Religare Enterprises Limited
Mode of Fund Raising	Public Issues / Rights Issues / Preferential Issues / QIP / Others
Date of Raising Funds	July 14, 2021
Amount Raised	Rs. 57,000 lakhs
Report filed for Quarter ended	December 31, 2021
Monitoring Agency	applicable / not applicable
Monitoring Agency Name, if applicable	N.A.
Is there a Deviation / Variation in use of funds raised	Yes / No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	N.A.
If Yes, Date of shareholder Approval	N.A.
Explanation for the Deviation / Variation	N.A.
Comments of the Audit Committee after review	N.A.
Comments of the auditors, if any	N.A.
Objects for which funds have been raised and where there has been a deviation, in the following table	To augment funds to inter alia making investment / loan in/to subsidiaries and group companies, for repayment of Company's debt obligations towards its subsidiaries /others and to meet other long-term funding requirements of the Company i.e. to fund Company's growth capital requirements, to meet the Company's capital expenditure, enhance its long term resources and thereby strengthening the financial structure of the Company and its subsidiaries and for other general corporate purposes and purposes permitted by applicable laws.

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Deviation or variation could mean:

- Deviation in the objects or purposes for which the funds have been raised or
- Deviation in the amount of funds actually utilized as against what was originally disclosed or
- Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.

Place: New Delhi

Date : February 11, 2022




Nitin Aggarwal
Group CFO



Annexure - B

Religare Finvest Limited

B.1 Disclosure pursuant to Reserve Bank of India Circular -RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) read with notification No. RBI/2020-21/16 – DOR.No.BP.BC/3/21.04.048/2020-21

(Rs. in Lakhs, unless otherwise stated)

A) No. of accounts restructured	Amount
106	25,411.91

B.2 Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses

S. No.	Description	Individual Borrowers		Small Business
		Personal	Business	
A	Number of requests received for invoking resolution process under Part A	NIL	NIL	NIL
B	Number of accounts where resolution plan has been implemented under this window	NIL	NIL	NIL
C	Exposure to accounts mentioned at (B) before implementation of the plan	NIL	NIL	NIL
D	Of (C), aggregate amount of debt that was converted into other securities	NIL	NIL	NIL
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation	NIL	NIL	NIL
F	Increase in provisions on account of the implementation of the resolution plan	NIL	NIL	NIL

B) Type of Borrower	(A) Number of accounts where modifications and sanctions were implemented.	(B) Aggregate Exposure to the borrower/s
Personal Loan	NIL	NIL
Small Business	NIL	NIL
Others -Business Loans	NIL	NIL

C) No. of accounts restructured	Amount
NIL	NIL

Place: New Delhi
Date : February 11, 2022



For and on behalf of the Board of Directors

Rashmi

Dr. Rashmi Saluja
Executive Chairperson



S. P. CHOPRA & CO.
Chartered Accountants

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New Delhi- 110 001
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Independent Auditor's Review Report on Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for the Quarter and Nine Months ended December 31, 2021

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 and nine months ended December 31, 2021. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these standalone financial results based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is 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.
3. Based on our review conducted as 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 accounting standards 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : New Delhi
Date : 11.02.2022

S. P. Chopra & Co.
Chartered Accountants
ICAI Firm Regn. No. 000346N



(Pawan K. Gupta)
Partner
M. No. 092529

UDIN : 22092529ABKDDV4137

Independent Auditor's Review Report on Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for the Quarter and Nine Months ended December 31, 2021

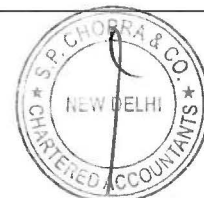
To
The Board of Directors of Religare Enterprises Limited,

1. We have reviewed the accompanying Statement of **Unaudited Consolidated Financial Results** (the 'Statement') of **Religare Enterprises Limited** (the 'Parent') and its Subsidiaries, Step Down Subsidiaries and Joint Venture (the Parent and its Subsidiaries, Step Down Subsidiaries and Joint Venture, together referred to as 'the Group') for the quarter and nine months ended December 31, 2021, being submitted by the Parent pursuant to the requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').
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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. 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 Engagements (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 include the financial results of the following entities:

Name of Entity	Nature of relationship
Religare Enterprises Limited (REL)	Parent Company
Religare Finvest Limited (RFL)	Wholly Owned Subsidiaries of Parent Company
Religare Broking Limited (RBL)	
Religare Comtrade Limited (RCTL)	
Religare Credit Advisors Private Limited (RCAL)	
Religare Insurance Limited (RIL)	
Religare Global Asset Management Inc. (RGAM Inc)	



Care Health Insurance Limited (CHIL)	Subsidiary of Parent Company
Religare Commodities Limited (RCL)	Wholly Owned Subsidiaries of Religare Broking Limited / Step Down Subsidiaries of Parent Company
Religare Business Solution Limited (RBSL)	
Religare Advisors Limited (RAL)	
Religare Housing Development Finance Corporation Limited (RHDFCL)	Wholly Owned Subsidiary of Religare Finvest Limited / Step Down Subsidiary of Parent Company
IBOF Investment Management Private Limited (JV)	Joint Venture of Parent Company

5. 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 9.iii below, except for the effects of the matter described in the *Basis for Qualified Conclusion paragraph* below 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.

6. Basis for Qualified Conclusion

During the financial year 2018-19, RHDFCL had entered into a transaction with a Trust namely "RARC 059 (RHDFC HL)" (Special Purpose Vehicle) wherein during the financial year 2018-19, Gross NPA of Rs. 3,038.13 lakhs were sold for Rs. 2278.60 lakhs and the Trust had issued security receipts (SR) in the ratio of 85:15. As informed by RHDFCL, the said transaction was a true sale, in compliance with the applicable RBI norms for securitization, and therefore it had derecognized NPA loan receivables and has recognized security receipts as investments in its books of accounts, as described in the Note 16 to the financial results. 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 total comprehensive loss of the Group for the quarter and nine months ended December 31, 2021 would have increased by Rs. 174.09 lakhs and Rs. 423.60 lakhs respectively and Other Equity as at December 31, 2021 would have decreased by Rs. 844.05 lakhs.

The review report on the consolidated financial results for the quarter and half year ended September 30, 2021 was also qualified by us, and the limited review / audit reports on the financial results / statements of the Group were qualified by the predecessor auditor regarding the above matter since the earlier year/s.

7. Material uncertainty related to going concern

We draw attention to the following notes to the financial results:

Note 8; indicating that RCTL's liabilities exceed the underlying assets due to continued losses and thus erosion of its net worth, and besides this, RCTL has no business plans as on the reporting date. These conditions 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 the Parent Company i.e. REL and letter of comfort, the



financial results / statements of RCTL have been prepared on a Going Concern basis.

Note 12; indicating that RFL has continued to incur losses, which has resulted in erosion of its Net Worth and negative Net Owned Fund and negative Capital Risk Adjusted Adequacy Ratio ('CRAR'). Further, it has made defaults in repayment of dues to its lenders and debenture holders and amount of Rs. 490,470.00 lakhs is overdue as on December 31, 2021, towards debentures, borrowings and interest thereon. There are continuing restrictions imposed by the Reserve Bank of India on RFL to carry out business. These conditions indicate the existence of the material uncertainty that may cast significant doubt on RFL's ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note, management has prepared the financial results of RFL on a Going Concern basis.

Note 15; regarding misappropriation of RFL's fixed deposits of Rs. 79,145 lakhs (excluding interest accrued and due of Rs. 2,703.39 lakhs till the date of original maturity i.e. July 20, 2018) by the Lakshmi Vilas Bank (LVB). The matter continued to be under litigation, however, the management is strongly hopeful of recovery of these deposits, considering the developments in the matter, as described in the said note.

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

8. Emphasis of Matters

We draw attention to the following notes to the financial results:

Note 3; regarding non-consolidation of financial results of Religare Capital Markets Limited (RCML), considering the management's assessment of non-existence of control through voting rights and existence of significant restrictive covenants on major decision making at RCML imposed by the holder of the preference shares.

Note 13; specifying that RFL is still pursuing appropriate legal remedies to recover the amounts aggregating to Rs. 79,367 lacs (fully provided in the financials results / statements) due from Strategic Credit Capital Private Limited ('SCCPL') and its associate companies.

Note 14; regarding the carrying of the Deferred Tax Assets of Rs. 49,315.69 lakhs of the earlier years by RFL, based on the management's best estimate that the same will be adjustable in future once the Debt Restructuring Plan (DRP) submitted by RFL is approved and implemented.

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

9. Other Matters

- i. The estimate of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) in respect of Care Health Insurance Limited (CHIL) have been certified by the CHIL's Appointed Actuary. The Appointed Actuary has certified to CHIL that the assumptions used for such estimation are appropriate and are in accordance with the requirements of relevant regulations issued by IRDAI and Actuarial Society of India in concurrence with IRDAI. We have relied upon on the Appointed Actuary's certificate in this regard for forming our conclusion on the financial statements of CHIL.
- ii. RFL has given loans to certain companies in the earlier years and the same are appearing in Corporate Loan Book ('CLB portfolio') aggregating to Rs. 203,670 lakhs as



at December 31, 2021 (fully provided for in the earlier year/s) and has investment in Non-Convertible Debentures ('NCDs') of a corporate entity of Rs. 20,000 lakhs as at December 31, 2021 (fully Impaired in earlier year/s). Though these loans and investment have been fully provided / impaired in the financial results / statements, RFL is taking legal actions for recovery of these amounts.

- iii. We did not review the interim financial results of 2 Wholly Owned Subsidiaries and 2 Step Down Subsidiaries, whose interim financial results reflect total revenues of Rs. 12,976.74 lakhs and Rs. 38,932.47 lakhs, net loss after tax of Rs. 24,779.57 lakhs and Rs. 98,916.35 lakhs and total comprehensive loss of Rs. 24,751.30 lakhs and Rs. 98,863.11 lakhs, for the quarter and nine months ended December 31, 2021, respectively, as considered in the Unaudited Consolidated Financial Results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent Company's Management and our Qualified Conclusion, Emphasis of Matters and Other Matters, on the Statement, in so far as it relate to the amounts and disclosures included in respect of these Subsidiaries / Step Down Subsidiaries, is based on the reports of the other auditors after consideration of the further facts and information provided to us by the Parent Company's management, at the time of consolidation of these financial results, and the procedures performed by us as stated in paragraph 3 above.
- iv. The Consolidated Unaudited financial results include the interim financial information of 4 Wholly Owned Subsidiaries, 2 Step Down Subsidiaries and 1 Joint Venture, which have not been reviewed by their auditors, whose interim financial information reflect total revenues of Rs. 142.00 lakhs and Rs. 179.20 lakhs, total net profit after tax of Rs. 133.16 lakhs and total net loss after tax of Rs. 20.97 lakhs and total comprehensive income of Rs. 129.77 lakhs and total comprehensive loss of Rs. 24.36 lakhs for the quarter and nine months ended December 31, 2021 respectively, as considered in the Consolidated Unaudited financial results. These interim financial information has been furnished to us by the Parent Company's Management and our qualified conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries / Step Down Subsidiaries/ Joint Venture, is based solely on such unreviewed/unaudited interim financial information. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.
- v. We draw attention to the fact that the corresponding figures for the quarter / nine months ended December 31, 2020 were reviewed and the figures for the year ended March 31, 2021 were audited by the predecessor auditor, who had expressed modified conclusions / opinion thereon vide their limited review reports / audit report dated February 10, 2021 / June 22, 2021.

S. P. Chopra & Co.
Chartered Accountants
ICAI Firm Regn. No. 000346N



(Pawan K. Gupta)
Partner

M. No. 092529

UDIN: 22092529ABKFYM8732

Place : New Delhi
Date : 11.02.2022