

Reliance Commercial Finance Limited ('RCFL')

Report – Forensic Review

02 January 2020

Private and confidential

Not for circulation

Contents

1. Overview	03
2. Procedures performed	11
3. Executive summary	13
4. Detailed observations	
4.1. Transaction with potential indirectly linked entities	24
4.2. PILE – Potential evergreening of loans	38
4.3. PILE – Potential circular transactions	46
4.4. Proceeds of term loan indirectly transferred to group entity through PILE	53
4.5. Proceeds of secured debentures indirectly transferred to group entities through PILE	57
4.6. Proceeds of commercial paper indirectly transferred to group entity through PILE	61
4.7. Proceeds of securitisation indirectly transferred to related parties through PILE	70
4.8. Site visit	79
4.9. Potential regulatory anomalies	92
5. Loan advance to other groups	98
6. Others – Potential circular transactions	137
7. Loan written-off	154
8. Anomalies in the credit appraisal process	159
9. Anomalies identified during loan file review	170
10. End use of funds	181
11. Debt securitisation	190
12. Source of wholesale loans	192
13. End use of wholesale loans disbursed to borrowers	196
14. Other observations	209
15. Limitations and disclaimers	215
16. Glossary	219
17. Exhibits and annexures	221

Overview

1. RCFL Overview

Background about RCFL

- Reliance Commercial Finance Limited ('RCFL') ('Target Entity') was incorporated on 17 August 2000. RCFL offers a wide range of products which include SME loans, micro-finance, infrastructure finance, supply chain finance, two-wheeler loans, used car loans, and personal loans.
- As per annual report of RCFL for the financial year 2018-19, the loans and advances stood at INR 12,223.86 crores as on 31 March 2019. Its Capital to Risk Assets Ratio (CRAR) was -49.03% as on 31 March 2019 against the minimum regulatory requirement of 15%.
- RCFL has 38 branches across India serving over half a million SMEs and individuals across the country.
- Key areas of the financial statements of RCFL is presented below.

(INR in crores)

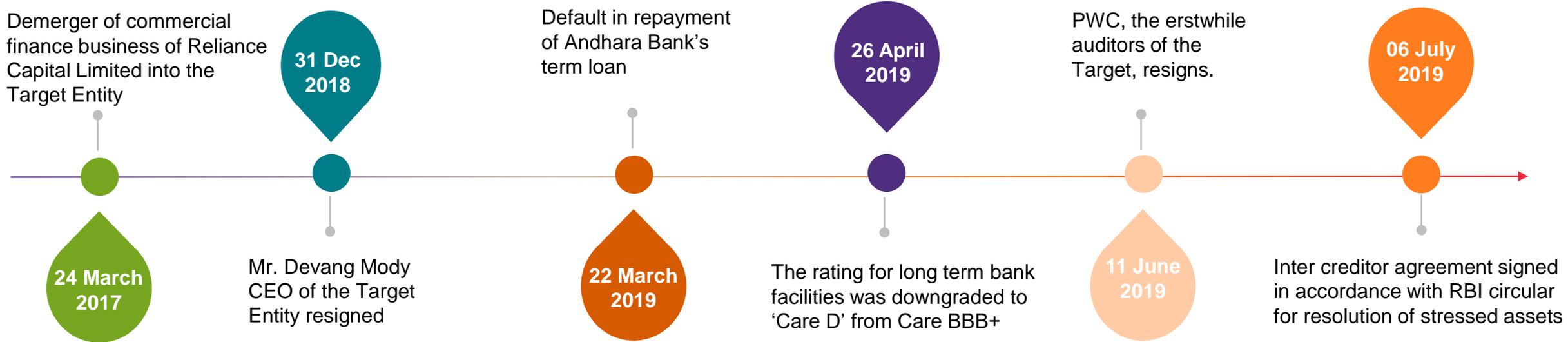
Key areas of liabilities	Amount	Key areas of Assets	Amount
Borrowings ¹	7,965.42	Loans & Advances	12,223.86
Other Liabilities ²	4,733.06	Other Assets ³	382.16
Shareholder funds	805.84	Cash & Cash Equivalents	430.61
		Fixed Assets	320.11
		Investments	147.58
	13,504.32		13,504.32

Key areas of statement of profit & loss	2018-2019	2017-2018	2016-2017
Operating Income	1,779.90	2,010.07	1,927.76
Other Income ⁴	.96.00	.26.00	25.58
Total Income	1,780.86	2,010.33	1,953.34
Profit Before Tax	(1,853.63)	190.07	342.68

- Borrowings other than debt Securities
- Other liabilities include trade payables, debt securities, subordinate liabilities, provisions and other financial liabilities
- Other assets include advance income tax, deferred tax assets(net) and other financial assets.
- Other income includes profit on sale of investments, interest on income tax refund and miscellaneous income

1. RCFL Overview – Sequence of events

Sequence of events during our review period



Note: only major events are highlighted in the above informatics.

1. RCFL Overview

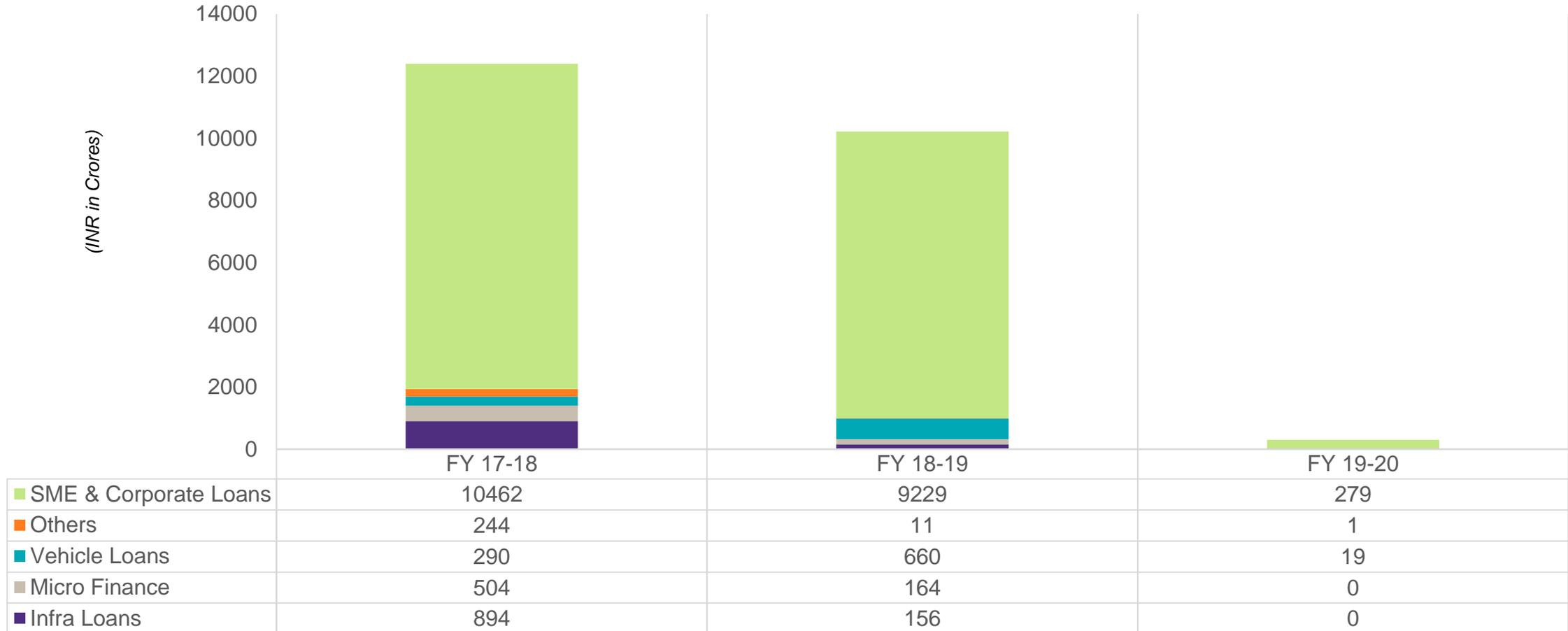
Details of directors appointed and ceased during FY 16-17, FY 17-18 & FY 18-19

Director	Status	2016-17	2017-18	2018-2019
Mr. V.R.Mohan (ceased w.e.f. 9 February 2017)	Director	✓	✗	✗
Mr. Monish Sheth (ceased w.e.f. 9 February 2017)	Director	✓	✗	✗
Mr. Soumen Ghosh (ceased w.e.f. 31 March 2017)	Non Executive Director	✓	✗	✗
Mr. Padmanabh Vora (ceased w.e.f. 26 February 2018)	Independent Director	✓	✓	✗
Mr. Devang Mody (ceased w.e.f. 31 December 2018)	Executive Director	✓	✓	✓
Mr. Arvind Mayaram (ceased w.e.f. 28 February 2019)	Independent Director	✗	✓	✓
Mr. Lav Chaturvedi (ceased w.e.f. 11 March 2019)	Non Executive & Non Independent Director	✓	✓	✓
Ms. Deena Mehta (ceased w.e.f. 30 April 2019)	Independent Director	✓	✓	✓
Mr. Ravindra S. Rao (ceased w.e.f. 22 May 2019)	Director	✗	✓	✓
Mr. Arvind Mayaram (appointed w.e.f. 26 February 2018)	Independent Director	✗	✓	✓
Mr. Dhananjay Tiwari (appointed w.e.f. 1 March 2019)	Executive Director	✗	✗	✓
Mr. Ravindra S. Rao (appointed w.e.f. 1 March 2019)	Director	✗	✗	✓

1. RCFL Overview

Product wise disbursement of loan

Loan disbursement during the review period



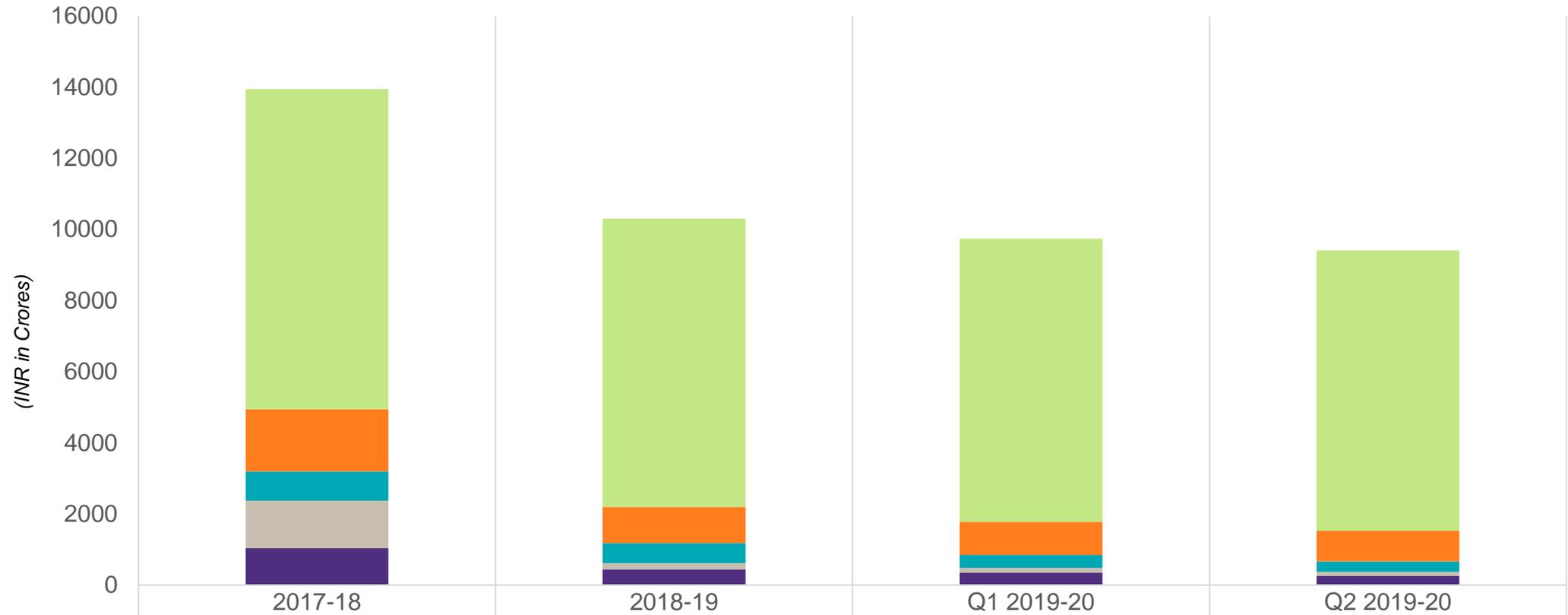
Note: 1. FY19-20 in the above chart represents Q1 numbers

2. Others represents Agri, retail loans and others

1. RCFL Overview

Product wise principal outstanding ('POS')

Movement of POS during the review period



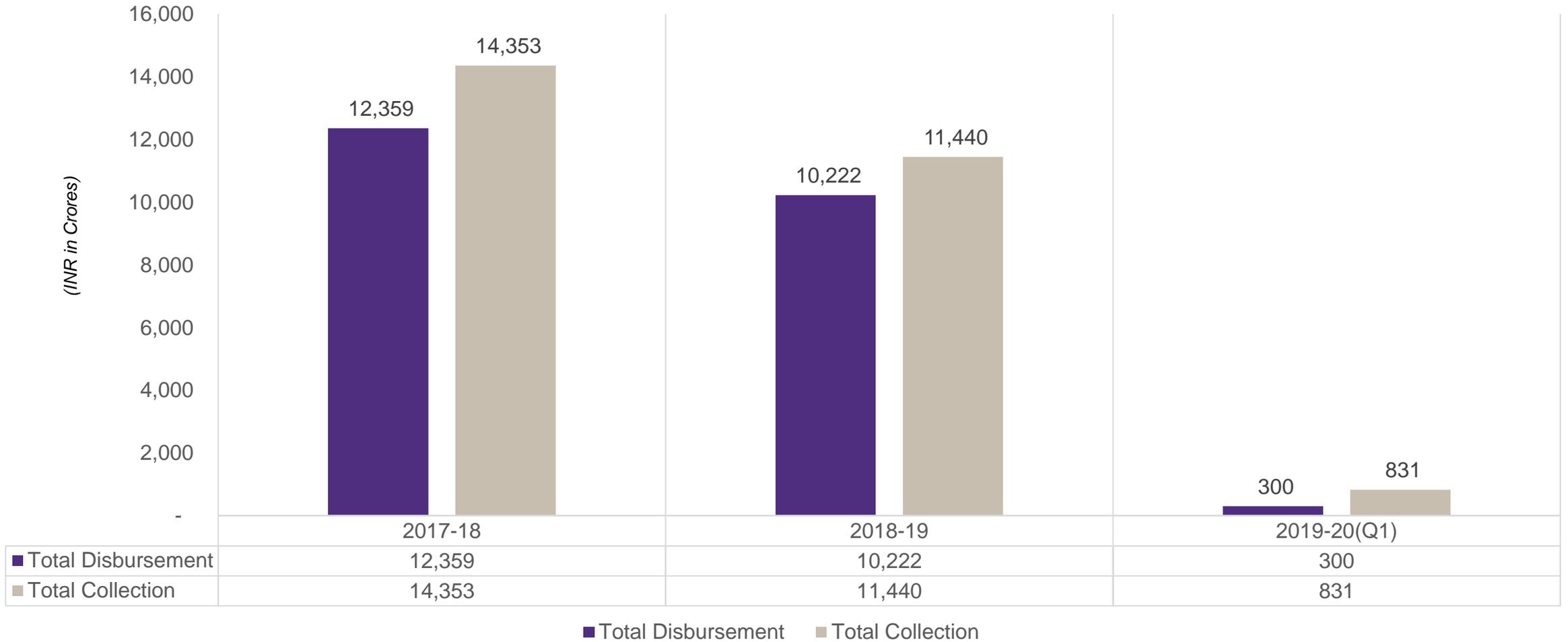
SME & Corporate Loans	9005	8108	7970	7879
Others	1747	1016	927	862
Vehicle and Dealer funding	821	564	368	295
Micro Finance	1337	179	130	116
Infra Loans	1039	440	349	256

Note: Others represents Agri, retail loans and others

1. RCFL Overview

Summary of loans disbursed and repaid during the review period

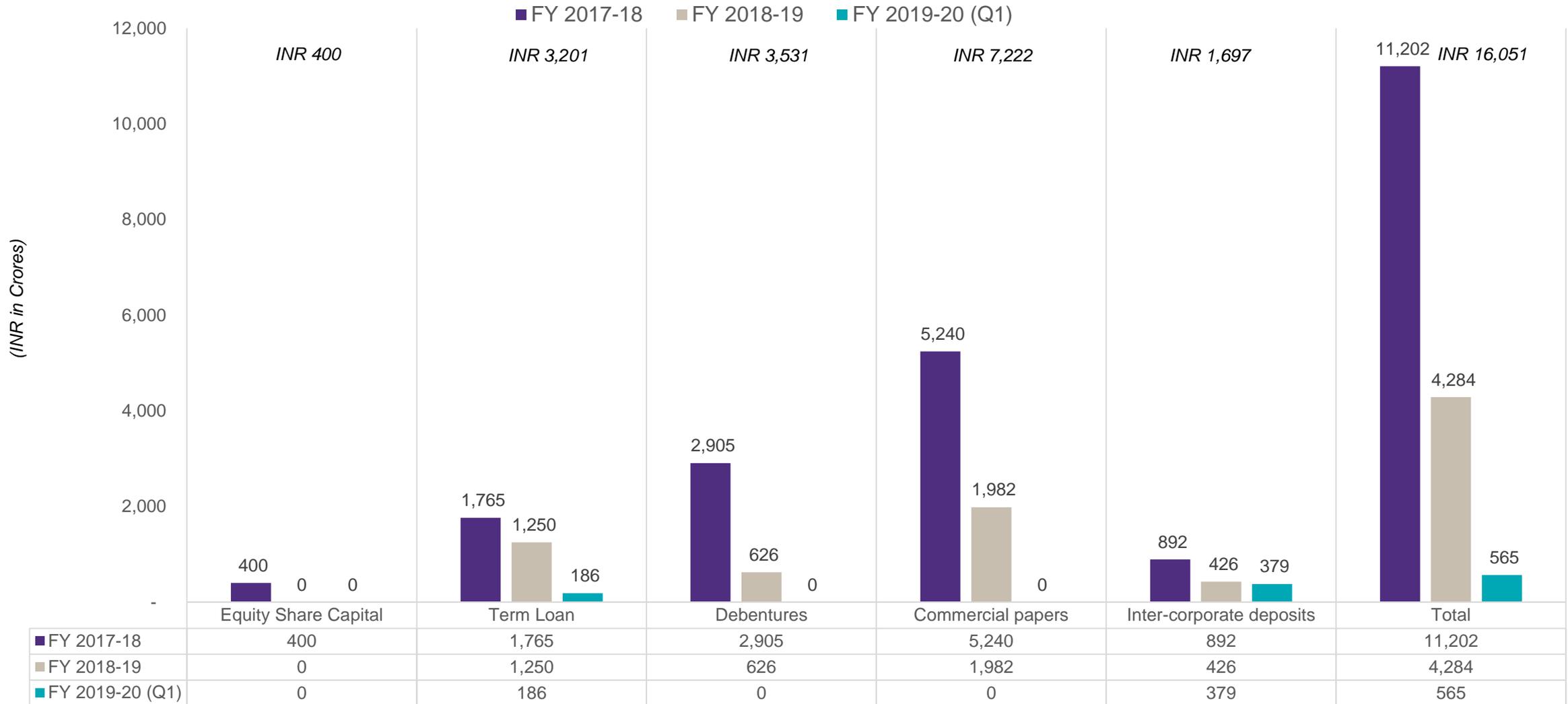
YoY disbursements and collections



1. RCFL Overview

Overview of total infusion of funds during our review period

INFUSION OF FUNDS



Note: The above excludes debt securitized, which is separately covered.

Procedures performed

2. Procedures performed

1. Gathering information and discussions with the key representatives of the target entity



- We conducted in-depth discussions with the key representatives of target entity to understand and obtain details with regards to the group as well as its operations. Further, we understood in detail the context of the review and the key areas of concern in the target entry
- Based on the documentation and understanding obtained from the client and key representatives of target entity, we identified and obtained the information relevant to meet the overall objectives of the review

2. Transaction testing and forensic data analytical procedures



- We conducted forensic data analytical procedures on the information provided in order to identify the unusual trends and patterns and discrepancies /exceptions.
- Based on the identified parameters, patterns and discrepancies/exceptions, we requested for the information and other supporting documents and conducted a thorough review of the same.

3. Public domain searches



- Based on the information received and anomalies identified, we conducted a desktop and public domain searches in order to identify any adverse or conflicting information.
- Further, we also conducted social media and other checks to identify potentially related parties/potential linkages between the key entities/individuals identified and key managerial personnel.

4. Reporting



- Based on the observations noted from various procedures stated above, a report summarizing the findings as follows

Executive summary

3. Executive summary

#	Observation	Report reference																											
1	<p>Transaction with Potential Indirectly Linked Entities (PILE)</p> <p>Loan extended to potential indirectly linked entities (PILE)</p> <ul style="list-style-type: none"> For identifying potential indirectly linked entities, we have considered 6 parameters namely, entities having common registered addresses, common email ID / domain, common directors, annual report declaration and list of borrowers as provided by the Target Entity who have made onward lending of loans to related parties/group companies. On review of wholesale loan files, we identified 32 borrowers to be potential indirectly linked entities. During the review period, a total of INR 16,455.62 crores was disbursed as wholesale loans - out of which approx. 68.17% of loans were disbursed to PILE amounting to INR 11,218.58 crores. (Wholesale includes corporate loans, SME structured and general purpose corporate loans) The total outstanding (including interest) as on 31 October 2019 against the loans disbursed to PILE was approx. INR 4,427.74 crores - out of which loans having total dues of INR 2,519.33 crores were declared as a Non Performing Asset ('NPA') as on 31 October 2019. <p>Entities cease to be related parties of group companies before disbursement of loans</p> <ul style="list-style-type: none"> On our review of the wholesale loans portfolio, we observed 2 instances where entities (PILE) to whom the Target Entity had disbursed wholesale loans ceased to be related parties of Reliance Power Limited and Reliance Infrastructure Limited prior to disbursement of the loans. A total of 6 such entities being PILE were disbursed loans aggregating to INR 2,030.83 crores during our review period. <p>PILE related observations</p> <p>On reviewing the repayment pattern of GPCL borrowers, we observed the following (INR in crores)</p> <table border="1"> <thead> <tr> <th>Observations</th> <th>No of Instances</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Potential evergreening of loans</td> <td>3</td> <td>368.65</td> </tr> <tr> <td>Potential circular transactions</td> <td>2</td> <td>180.00</td> </tr> <tr> <td>Total amount potentially received back to Target Entity as repayment of existing loans</td> <td></td> <td>548.65</td> </tr> <tr> <td>Proceeds of term loan indirectly transferred to related party through PILE</td> <td>1</td> <td>323.87</td> </tr> <tr> <td>Proceeds of secured debentures indirectly transferred to group entities through PILE</td> <td>1</td> <td>334.12</td> </tr> <tr> <td>Proceeds of commercial papers indirectly transferred to related parties/group companies through PILE</td> <td>3</td> <td>520.25</td> </tr> <tr> <td>Proceeds of securitisation indirectly transferred to related parties through PILE</td> <td>3</td> <td>638.10</td> </tr> <tr> <td>Total amount potentially transferred to related parties / group companies</td> <td></td> <td>1816.34</td> </tr> </tbody> </table>	Observations	No of Instances	Amount	Potential evergreening of loans	3	368.65	Potential circular transactions	2	180.00	Total amount potentially received back to Target Entity as repayment of existing loans		548.65	Proceeds of term loan indirectly transferred to related party through PILE	1	323.87	Proceeds of secured debentures indirectly transferred to group entities through PILE	1	334.12	Proceeds of commercial papers indirectly transferred to related parties/group companies through PILE	3	520.25	Proceeds of securitisation indirectly transferred to related parties through PILE	3	638.10	Total amount potentially transferred to related parties / group companies		1816.34	Section 4.1 – 4.7
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Note: Executive summary to be read in conjunction with the detailed observations

3. Executive summary

#	Observation	Report reference
2	<p>Potential regulatory anomalies</p> <p>Potential anomalies in compliance with Master Circular – Bank finance to NBFC</p> <ul style="list-style-type: none"> According to para 5.1 of Reserve Bank of India Master Circular – Bank finance to NBFCs, the activities of extending loans and advances by NBFCs to their subsidiaries and group companies/entities are not eligible for bank credit. On review of the infusion of funds provided by the banks during the review period, it appears that the credit (term loan, secured debentures and commercial papers) worth INR 811.94 cores were potentially transferred to group companies through PILE. <p>Anomalies identified in calculation of CRAR (Capital Adequacy)</p> <ul style="list-style-type: none"> As per note 57 of the annual report for FY 18-19, the Target Entity has advanced loans to 26 borrowers, in the ordinary course of business, which have undertaken onward lending transactions to companies that are identified as group companies by Reliance Capital Limited ('RCL'), as per the Core Investment Companies (Reserve Bank) Directions, 2016. RCL is the 100% shareholder of the Target Entity. Considering the end use of such loans, the Target has considered these loans as 'exposure to group companies' as a result of which its CRAR as on 31 March 2019 stood at - 49.03% compared to +18.39% in previous financial year. It is pertinent to note that the Target Entity had disbursed wholesale loans worth INR 2,987.13 crores to 13 out of above mentioned 26 borrowers in FY 17-18 as well. The Principal Outstanding ('POS') pertaining to 13 such borrowers as on 31 March 2018 was INR 1,114.13 crores. However, these loans were not considered as 'exposure to group companies' as on 31 March 2018 for CRAR calculations. Had the same been considered, the CRAR of the target entity may fall below the regulatory norms of 15% as mandated by the Reserve Bank of India in its Master Directions. 	Section 4.9
3	<p>Loan disbursement to Valuecorp Securities and Finance Limited ('Valuecorp') written off</p> <ul style="list-style-type: none"> The loan given to Valuecorp has been written off in March 2019 i.e. within a period of 4 months from the date of disbursement. As per the latest available financial statements, it appears that the borrowing entity is not having any income from business operations, no fixed assets, minimal operating expenditure and was having accumulated losses. Most of the money borrowed appears to have been utilized towards short term loans and advances. The borrower has similar registered address and email ID as that of five other PILE. 	Section 7

Note: Executive summary to be read in conjunction with the detailed observations

3. Executive summary

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4	<p>Loan advanced to other entities</p> <p>Disbursement made to other entities with inadequate repayment capacity</p> <ul style="list-style-type: none"> It was observed that the Target Entity has disbursed wholesale loans to other entities which appears to have inadequate repayment capacity as per their financial records 11 loans aggregating to INR 1,395.18 crores were disbursed during our review period against which total dues as on 31 Oct 2019 were INR 1,124.09 crores. Further, out of these 11 loans, 4 loans disbursed to Golden Beach Infracon Private Limited and Wadhwan Holdings Private Limited was declared NPA as on 31 Oct 2019. Moreover, 2 loans out of above mentioned 11 loans were written off by the Target Entity as on 31 March 2019 worth INR 283 crores <p style="text-align: right;">(INR in crores)</p> <table border="1"> <thead> <tr> <th>#</th> <th>LAN</th> <th>Name of the borrower</th> <th>Date of disbursement</th> <th>Loan Amount</th> <th>Total dues</th> <th>Net worth</th> <th>Revenue</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>RLCSCOR000395943</td> <td>SKIL Shipyard Holdings Private Limited</td> <td>01 Jul 18</td> <td>243.00</td> <td>Written off</td> <td>-225.20</td> <td>0.00</td> <td>Written off</td> </tr> <tr> <td>2</td> <td>RLWCCOR000338656</td> <td>Golden Beach Infracon Private Limited</td> <td>18 Apr 17</td> <td>240.00</td> <td>240.00</td> <td>-1.93</td> <td>0.00</td> <td>NPA</td> </tr> <tr> <td>3</td> <td>RLCSCOR000366246</td> <td>Perfect Spacecon Private Limited</td> <td>31 Mar 18</td> <td>224.00</td> <td>224.00</td> <td>-0.06</td> <td>0.00</td> <td>Not Due</td> </tr> <tr> <td>4</td> <td>RLCSCOR000366161</td> <td>Sahyadri Food Processing Private Limited</td> <td>31 Mar 18</td> <td>195.00</td> <td>195.00</td> <td>-0.01</td> <td>0.00</td> <td>Not Due</td> </tr> <tr> <td>5</td> <td>RLCSCOR000366162</td> <td>Goregaon Hotel and Realty Private Limited</td> <td>31 Mar 18</td> <td>120.98</td> <td>120.98</td> <td>-12.00</td> <td>0.00</td> <td>Not Due</td> </tr> <tr> <td>6</td> <td>RLWCCOR000339496</td> <td>Wadhawan Holdings Private Limited</td> <td>16 May 17</td> <td>118.00</td> <td>118.00</td> <td>-422.40</td> <td>16.56</td> <td>NPA</td> </tr> <tr> <td>7</td> <td>RLWCCOR000337673</td> <td>Wadhawan Holdings Private Limited</td> <td>30 Mar 17</td> <td>80.00</td> <td>80.00</td> <td>-422.40</td> <td>16.56</td> <td>NPA</td> </tr> <tr> <td>8</td> <td>RLCSCOR000453161</td> <td>Katra Wilhelmsen Logistics Private Limited</td> <td>01 Oct 18</td> <td>72.20</td> <td>84.11</td> <td>-4.50</td> <td>0.00</td> <td>1-30 DPD</td> </tr> <tr> <td>9</td> <td>RLWCCOR000339495</td> <td>Golden Beach Infracon Private Limited</td> <td>16 May 17</td> <td>57.00</td> <td>57.00</td> <td>-1.93</td> <td>0.00</td> <td>NPA</td> </tr> <tr> <td>10</td> <td>RLCSCOR000343986</td> <td>SKIL Shipyard Holdings Private Limited</td> <td>30 Sep 17</td> <td>40.00</td> <td>Written off</td> <td>-225.20</td> <td>0.00</td> <td>Written off</td> </tr> <tr> <td>11</td> <td>RLCSCOR000435088</td> <td>Goregaon Hotel and Realty Private Limited</td> <td>07 Sep 18</td> <td>5.00</td> <td>5.00</td> <td>-12.00</td> <td>0.00</td> <td>Not Due</td> </tr> <tr> <td></td> <td></td> <td>Total</td> <td></td> <td>1,395.18</td> <td>1,124.09</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	#	LAN	Name of the borrower	Date of disbursement	Loan Amount	Total dues	Net worth	Revenue	Status	1	RLCSCOR000395943	SKIL Shipyard Holdings Private Limited	01 Jul 18	243.00	Written off	-225.20	0.00	Written off	2	RLWCCOR000338656	Golden Beach Infracon Private Limited	18 Apr 17	240.00	240.00	-1.93	0.00	NPA	3	RLCSCOR000366246	Perfect Spacecon Private Limited	31 Mar 18	224.00	224.00	-0.06	0.00	Not Due	4	RLCSCOR000366161	Sahyadri Food Processing Private Limited	31 Mar 18	195.00	195.00	-0.01	0.00	Not Due	5	RLCSCOR000366162	Goregaon Hotel and Realty Private Limited	31 Mar 18	120.98	120.98	-12.00	0.00	Not Due	6	RLWCCOR000339496	Wadhawan Holdings Private Limited	16 May 17	118.00	118.00	-422.40	16.56	NPA	7	RLWCCOR000337673	Wadhawan Holdings Private Limited	30 Mar 17	80.00	80.00	-422.40	16.56	NPA	8	RLCSCOR000453161	Katra Wilhelmsen Logistics Private Limited	01 Oct 18	72.20	84.11	-4.50	0.00	1-30 DPD	9	RLWCCOR000339495	Golden Beach Infracon Private Limited	16 May 17	57.00	57.00	-1.93	0.00	NPA	10	RLCSCOR000343986	SKIL Shipyard Holdings Private Limited	30 Sep 17	40.00	Written off	-225.20	0.00	Written off	11	RLCSCOR000435088	Goregaon Hotel and Realty Private Limited	07 Sep 18	5.00	5.00	-12.00	0.00	Not Due			Total		1,395.18	1,124.09				Section 5
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Note: Executive summary to be read in conjunction with the detailed observations

3. Executive summary

#	Observation	Report reference
5	<p data-bbox="155 207 792 239">Anomalies in the credit appraisal process</p> <p data-bbox="155 258 861 291">Loan disbursed prior to the loan sanction date</p> <ul data-bbox="173 297 2277 405" style="list-style-type: none"> On review of 158 loan files belonging to the category of wholesale loans, it appears that in two instances of loans aggregating to INR 147 crores, the actual loan disbursement date as per bank statement was prior to the date of issuance of sanction letter. The difference in dates was found to be of 1 day. <p data-bbox="155 448 861 481">Loan disbursed to parties with weak financials</p> <ul data-bbox="173 486 2277 632" style="list-style-type: none"> On review of wholesale loans disbursed during the review period, it was noted that the Target Entity has extended various loan facilities to borrowers which were having weak financial metrics i.e. negative or minimal net worth and nominal paid up share capital ranging from INR 0.001 crores to INR 102.50 crores. The total loans disbursed to these entities during our review period aggregate to INR 4,203.88 crores with total outstanding dues as on 31 October 2019 of INR 3,888.59 crores. <p data-bbox="155 675 1072 708">Loan disbursed to entities which were recently incorporated</p> <ul data-bbox="173 714 2277 786" style="list-style-type: none"> We noted 12 instances where loans were disbursed to entities which were incorporated within 0.5 to 7 months preceding the sanction of the loan i.e. FY 18-19 & Q1 of FY 19-20 aggregating to INR 925.00 crores. <p data-bbox="155 829 1289 862">Potential anomalies in creation of charge on the security provided to RCFL</p> <ul data-bbox="173 868 2277 1125" style="list-style-type: none"> On review of loans disbursed during the review period, we noted 12 instances where charge on the assets of the respective borrowers was not registered by the Target Entity for which the total loan dues as on 31 October 2019 were INR 766.41 crores. In various instances, the charge on current assets of the borrowers was created and registered against the wholesale loans given. However, on review of the financial statements as available in the public domain, we noted that the value of the current assets, was less than the amount of total dues as on 31 October 2019 in 14 instances with total outstanding dues as on 31 October 2019 of INR 1749.31 crores. Further, in another 36 instances, it was observed that the amount of charge created and registered covers only the principal component of the loans. 	Section 8

Note: Executive summary to be read in conjunction with the detailed observations

3. Executive summary

#	Observation	Report Reference
6	Anomalies Identified During Loan File Review	
	<p>On review of GPCL loan files we noted the followings;</p> <ul style="list-style-type: none"> a. 32 instances where financial statements were not found in the loan file aggregating to INR 1,991.25 crores. b. 32 instances where Income Tax Returns (ITR) were not found in the loan file aggregating to INR 1,991.25 crores. c. For 51 borrowers (112 loan files) contact details of the borrowers appears to be invalid, aggregating to INR 9,167.37 crores. d. For 22 borrowers (59 loan files) e-mail address of the borrowers appears to be common. e. In 204 instances the quarterly chartered accountant certified end utilization status report was not available. The total dues as on 31 October 2019 against these borrower aggregated to INR 4,939.53 crores. 	<i>Section 9</i>
7	Overall Assessment	
	<p>Based on the procedures performed by us, data and other limitations and our observations thereon, it appears that around ~68% of the wholesale loans (~INR 11,218.58 crores) were disbursed to PILE – some of which were further lent to PILE / Related Parties / Group Entities. Further, it appears that a large portion of the loans to PILE and/or other entities were sanctioned/disbursed without giving due consideration to prudential lending norms related to the repayment capacity, adequacy of security/collateral and other key financial metrics of the borrower(s).</p> <p>Further, some part of the funds provided by the banks appear to have been potentially transferred to group companies through PILE, which may not be in line with the guidelines laid down in the RBI Master Circular – Bank Finance to NBFC.</p>	

Note: Executive summary to be read in conjunction with the detailed observations

3. Executive summary

Management response

1. The observations of GT in its draft forensic report can be categorized as under:

- a. Alleged breach of regulatory norms as regards group exposure;
- b. Alleged deviation from certain policies & procedures.

2. Breach of regulatory norms – voluntarily disclosed by the Company

- The alleged breach of group exposure norms is the main observation of GT and is referred to in its draft report as loans to Potentially Indirectly Linked Entities. While we do not agree with the observations on the alleged linkage of entities, we draw your kind attention that the said group exposure had already been disclosed by the Company voluntarily in its annual audited financial statements duly audited by the statutory auditors, as also to the Regulator (RBI) as part of the regulatory filings. Copy of the Annual Report for the FY 2018-19 enclosed herewith.
- The Company has also disclosed transparently the end-use of such group exposure. The said loans were provided to enable the group entities to meet their debt servicing obligations and these loans were sanctioned under the extra-ordinary circumstances to avoid payment defaults to banks, which otherwise would have resulted in a systemic crisis. The end-use by group entities also included repayment of debt to banks/FIs who are also lenders to the Company.
- The Company has also furnished to GT the full details of the group exposure including its end-use, evidencing that such end-use was for debt servicing to banks and lenders.

Note: Management response is reproduced in full as provided by the company.

3. Executive summary

Management response

The said details are summarized below:

Ultimate End Use of Loan Proceeds	Amount (INR Cr)
Yes Bank	418.60
Canara Bank	330.00
US Exim Bank	212.54
Central Bank of India	209.00
Indusind Bank	163.50
LIC Of India	155.37
Bank of Baroda	150.00
Indiabulls Commercial Credit Limited	92.00
PNB Housing Finance	66.08
IDFC Bank	62.50
Asian Development Bank	57.95
Exim Bank	50.00
IDBI Bank	48.64
HDFC Bank	35.00
Syndicate Bank	21.79
Deutsche Bank	20.00
IFCI	13.13
NCDs	778.94
Commercial Papers	700.00
Others	842.65
Total	4,427.69

It may kindly be noted that there has been no adverse observation in this regard in the draft forensic report.

Note: Management response is reproduced in full as provided by the company.

3. Executive summary

Management response

- In this connection, we draw your attention to page 98 of the Annual Report for 2018-19 (copy attached) as reproduced below:

“During the current and previous financial year, the Company has given General Purpose Corporate Loan/Working Capital Term Loan to certain bodies corporate in the ordinary course of business. None of these loans constitute as transactions with related parties.

In few cases, the Company’s borrowers have undertaken onward lending transactions to companies which are identified as Group Companies by Reliance Capital Limited (holding company) in terms of the Core Investment Companies (Reserve Bank) Directions, 2016.

Considering the end use of loans given, the Company has considered the below loans amounting to Rs 4,799.55 crore, as ‘Exposure to group companies’ for the purpose of various regulatory disclosures. These loans are secured and, in few cases, its further guaranteed by the Group Companies”

- It is pertinent to mention that the said Group exposure is duly secured by way of corporate guarantee of Reliance Infrastructure Limited for an amount of INR 2,265.28 crore and corporate guarantee of Reliance Power Limited for an amount of INR 719.29 crore and the same forms part of the Resolution Plan submitted by the Company to Lenders on December 5, 2019.

3. Action taken by the Regulator, NHB for the alleged regulatory breach:

The Regulator, Reserve Bank of India (RBI) has taken the following action as regards the alleged violation of the regulatory norms:

The RBI has already advised the Company, vide its letter dated 4 December 2019, not to access ‘public fund’ and not to take any further exposure with immediate effect until further notice. This has been taken on record by the Board of the Company for immediate implementation.

4. Findings of Statutory Auditors – no adverse observation in the report

- We draw your kind attention to the finding of the Company’s statutory auditors as reported in their Audit Report for the financial year 2018-19, the excerpts whereof are reproduced as under:

“(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public issue offer or further public offer (including debt instruments) during the year. The Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.”

Note: Management response is reproduced in full as provided by the company.

3. Executive summary

Management response

“(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management. We draw attention to Note No. 44 (i) of the standalone Ind AS financial statements.”

- It may kindly be noted that there has been no adverse observation in the draft forensic report in this regard.

5. GT Report does not justify ‘red flagging’

We draw your specific attention to the ‘overall assessment’ section of the GT draft report which makes no suggestion or conclusion to justify “red flagging” the Company’s account. Accordingly the apprehensions in this regard by few banks are now demonstrated to be misplaced and no further action is required in that direction.

6. In view of the above, we submit that:

- The need to ‘Red Flag’ the account, as indicated by some Banks at the last lenders’ meeting, is misplaced and unfounded and the Banks are requested to remove such red flagging, if any.
- The lenders immediately consider and approve the draft Resolution Plan submitted by the Company on December 5, 2019.

We shall be pleased to make a presentation to the Banks at the all lenders meeting convened on December 30, 2019, to facilitate the fast-tracked approval of the Company’s Resolution Plan, submitted to lenders on December 5, 2019.

Note: Management response is reproduced in full as provided by the company.

Detailed observations

Transaction with potential indirectly linked entities

4. Loans extended to potential indirectly linked entities

For identifying potential indirectly linked entities (PILE), we have considered following parameters.

Common Directors

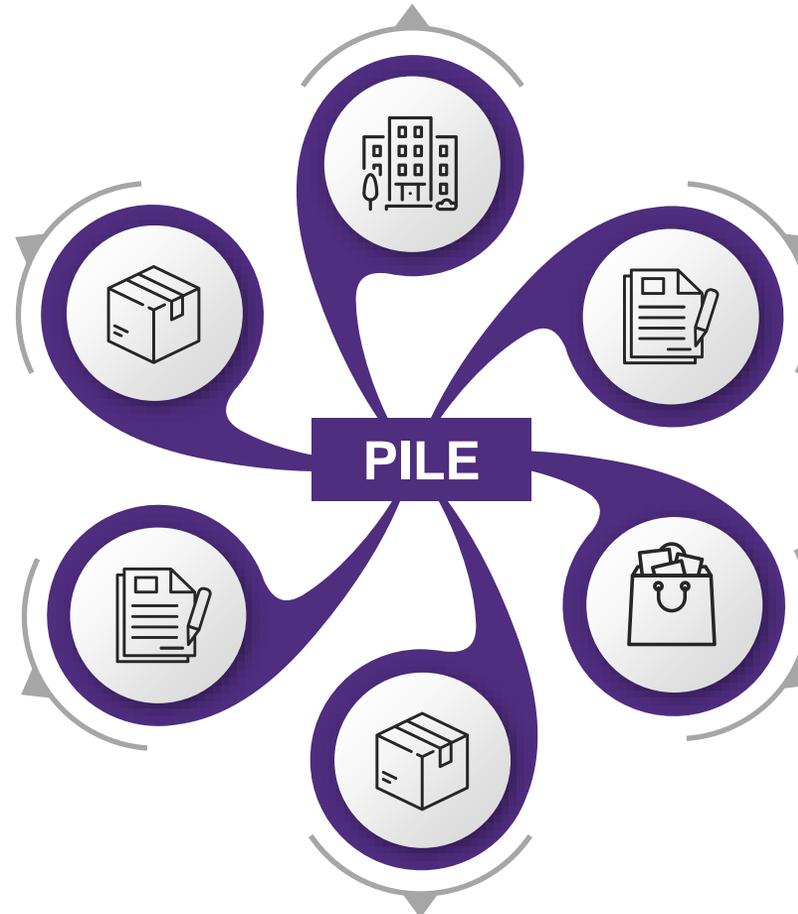
- The borrowers' and Target Entity have common present or past directors. Further, the borrowers and group companies of the Target Entity have common present or past directors.
- Past directors of the borrowers being current employee of the Target Entity, its related parties or group companies.

List provided by Target entity

The name of the borrower appears in the list provided by Target Entity where the borrower has engaged in onward lending of loans which eventually is passed on to group companies of the Target Entity

Common Address

The borrowers' current/past address are the same as the Target Entity or a group company of the Target entity.



Common KMPs

The borrower, the Target Entity and its group companies have common Key Managerial Personnel ('KMP')

Annual Report Declaration

As per note 57 of the annual report for FY 18-19 of the Target Entity the borrower is considered as a group company for regulatory purposes.

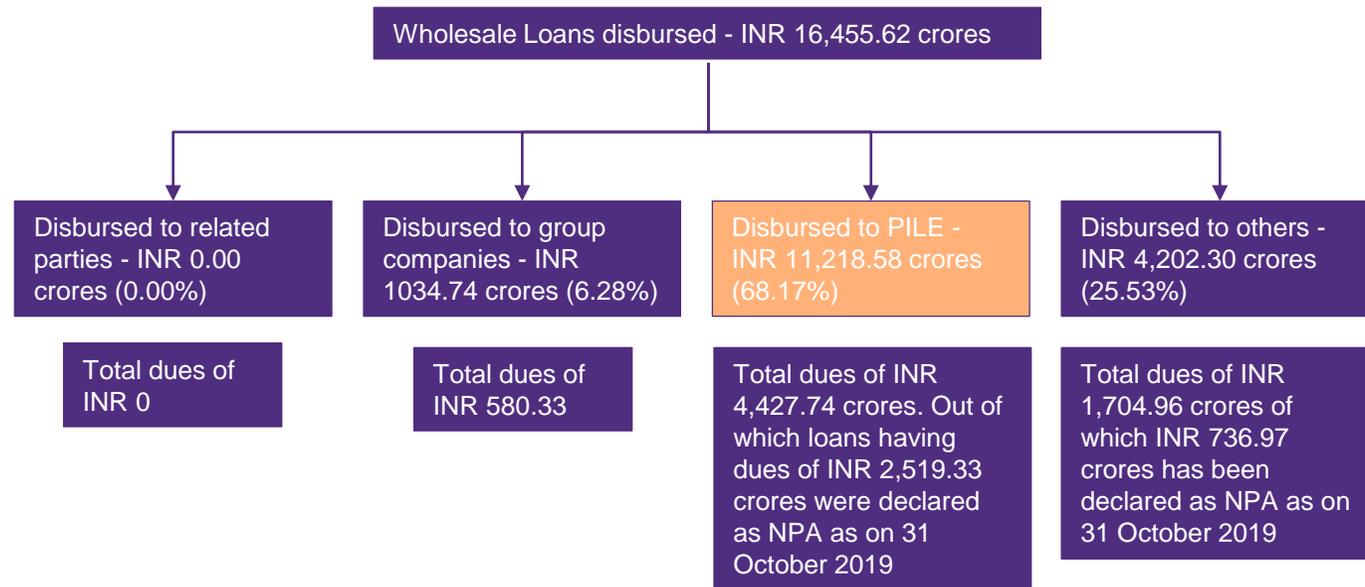
Common email ID / domain

- The borrowers' registered email id on public domain is same as the Target Entity and/or its group companies.
- The domain name of email id used by the borrowers' is that of the Target Entity and/or its group companies.

4. Loans extended to potential indirectly linked entities

Wholesale Loans disbursed during the review period

- During the review period, a total of INR 16,455.62 crores were disbursed as wholesale loans.
- Of INR 16,455.62 crores of loans, approx. 68.17% of loans were disbursed to Potential Indirectly Linked Entities ('PILE') amounting to INR 11,218.58 crores. As on 30 June 2019, Total Principal Outstanding against the loans disbursed to PILE was INR 4,399.55 crores.
- The total outstanding (including interest) as on 31 October 2019 against the loans disbursed to PILE was approx. INR 4,427.74 crores - Out of which loans having total dues of INR 2,519.33 crores were declared as NPA as on 31 October 2019.



Note - 1 POS, dues & NPA mentioned is as on 31 October 2019

2 Wholesale includes corporate loans, SME structured and general purpose corporate loans

4. Loans extended to potential indirectly linked entities (Contd.)

On our review of wholesale loans disbursed during our review period, we identified 32 borrowers which were potentially indirectly linked to the Target Entity. List of these 32 borrowers along with their status as on 31 October 2019 and nature of business is provided below. For nature of relationship refer exhibit 1A & 1B (INR in crores)

#	Name of the borrower	Nature of business	Loan disbursed	No. of loans disbursed	Total dues as on 31 Oct 2019	No. of loans outstanding	Loan status
1	Indian Agri Services Pvt Ltd	Agricultural and animal husbandry service activities, except veterinary activities	1,100.00	10	30.00	5	NPA
2	Mohanbir Hi Tech Build Private Limited	Real estate activities with own or leased property.	308.20	5	20.98	2	Closed
3	Tulip Adviosrs Private Limited	Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy	297.95	2	297.95	2	NPA
4	Adhar Project Management And Consultancyprivate Limited	Legal, accounting, book-keeping and auditing activities	665.18	12	65.08	6	NPA
5	Vinayak Ventures Private Limited	*	54.50	1	54.50	1	Not Due
6	Medybiz Private Limited	Software publishing, consultancy and supply	120.00	3	128.00	3	1-30 DPD
7	Deep Industrial Finance Limited	Financial advisory, brokerage and consultancy services	265.20	1	0.00	0	Closed
8	Netizen Engineering Private Limited	Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy	382.67	3	0.00	0	Closed
9	Hirma Power Limited	Production, collection and distribution of electricity	424.30	5	222.40	3	NPA
10	Celebrita Mediahouse Private Limited	Reproduction of recorded media	140.00	2	140.00	2	Not Due
11	Thwink Big Content Private Limited	**	350.00	1	350.00	1	Not Due
12	Edrishti Movies Private Limited	Reproduction of recorded media	125.00	3	125.00	3	Not Due
13	Pearl Housing Finance India Limited	Financial advisory, brokerage and consultancy services	265.20	1	0.00	0	Closed
14	Vishvakarma Equipment Finance India Limited	Other financial intermediation	265.20	1	0.00	0	Closed
15	Kunjbihari Developers Private Limited	Real estate activities with own or leased property.	108.75	4	108.75	4	Not Due
16	Accura Productions Private Limited	Printing and service activities related to printing	310.00	6	310.00	6	Not Due

Note: Under column 'Loan Status' for the given PILE, status of the highest bucket is considered, in instances where multiple loans are outstanding from a given PILE.

*The information was not available in public domain.

**Entity is recently incorporated hence relevant information is not available in public domain.

Note: Nature of business ascertained from latest available annual return on MCA – AOC4

4. Loans extended to potential indirectly linked entities (Contd.)

(INR in crores)

#	Name of the borrower	Nature of business	Loan disbursed	No. of loans disbursed	Total dues as on 31 Oct 2019	No. of loans outstanding	Loan status
17	Gamesa Investment Management Private Limited	Activities auxiliary to financial intermediation, except insurance and pension funding	370.70	4	122.70	4	NPA
18	Traitrya Construction Finance Limited	Financial advisory, brokerage and consultancy services	265.20	1	0.00	0	Closed
19	Crest Logistics And Engineers Private Limited	Building of complete constructions or parts thereof; civil engineering	1,076.90	7	286.90	3	NPA
20	Nationwide Communication Private Limited	Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy	25.00	1	25.00	1	Not Due
21	RPL Aditya Power Private Limited	Site preparation	40.00	1	40.00	1	Not Due
22	Species Commerce And Trade Private Limited	Other financial intermediation.	435.50	4	253.13	2	Closed
23	Summit Ceminfra Private Limited	Building of complete constructions or parts thereof; civil engineering	350.00	2	300.00	1	NPA
24	Jayamkondam Power Limited	Production, collection and distribution of electricity	590.00	3	0.00	0	Closed
25	Aashish Power Plant Equipment Private Limited	Manufacture of special purpose machinery	185.00	2	185.00	2	Npa
26	Skyline Global Trade Private Limited	Retail trading	780.00	6	290.00	2	Closed
27	Neptune Steel Strips Limited	Manufacture of basic iron & steel	290.81	1	0.00	0	Closed
28	Worldcom Solutions Limited	Building of complete constructions or parts thereof; civil engineering	353.03	1	353.03	1	Not Due
29	Reliance Cleangen Limited	Production, collection and distribution of electricity	540.49	5	270.49	2	Closed
30	Sistema Shyam Teleservices Limited	**	285.00	1	0.00	0	Closed
31	Kalai Power Private Limited	Production, collection and distribution of electricity	260.80	2	260.80	2	NPA
32	RPL Solaris Power Private Limited	Production, collection and distribution of electricity	188.00	2	188.00	2	NPA
	Total		11,218.59	103	4,427.74	61	

Note: Under column 'Loan Status' for the given PILE, status of the highest bucket is considered, in instances where multiple loans are outstanding from a given PILE.

*The information was not available in public domain.

**Entity is recently incorporated hence relevant information is not available in public domain.

*** Nature of business ascertained from latest available annual return on MCA – AOC4

4.1 Loans extended to potential indirectly linked entities (Contd.)

Management response

a. We do not agree on the basis of classification of the entities as potential indirectly linked entities (PILE). Having said that, we confirm that RCFL has been and is in compliance with respect to Companies Act, 2013, Indian Accounting Standards and regulatory guidelines related to related party transactions as applicable to NBFCs. The Company has made all the requisite and adequate disclosures with respect to the same from time to time.

b. As per Section 45-IA of the Reserve Bank of India, 1934, “subsidiaries” and “companies in the same group” means:

“subsidiaries” and “companies in the same group” shall have the same meanings assigned to them in the Companies Act, 1956.

As per Para 3(vi) of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, “companies in the group” as defined under:

“companies in the same group” shall mean an arrangement involving two or more entities related to each other through any of the following relationships:

Subsidiary – Parent (defined in terms of AS 21), Joint Venture (defined in terms of AS 27), Associate (defined in terms of AS 23) , A related party as defined under AS 18

Promoter – Promotee (as provided in the SEBI (Acquisition of Shares and Takeovers) Regulations, 1997) for listed companies,

Common Brand Name, and

investment in equity shares of 20% and above;

c. Pursuant to the above and also in compliance with the applicable Accounting Standards, the transactions with companies in the same group have been duly disclosed in the Annual Report of the respective financial years ended 31 March 2017, 31 March 2018 and 31 March 2019. The same have been duly audited by the Company’s statutory Auditors. The details are furnished as under:

FY 2016-17 Annual Report note no. 34 page No. 55 (Annexure 1)

FY 2017-18 Annual Report note no. 28 page No. 42 (Annexure 2)

FY 2018-19 Annual Report note no. 47 page No. 68 (Annexure 3)

Note: Management response is reproduced in full as provided by the company.

4.1 Loans extended to potential indirectly linked entities (Contd.)

Management response

- d) The Company has also disclosed transparently that the end-use of such group exposure was for their debt servicing.
- e) The Company has also furnished to GT the full details of the group exposure of INR 7,602.44 Crore (only Principal) including its end-use, evidencing that such end-use was for debt servicing to banks and lenders. The said details are summarized below:

#	Ultimate end use of loans proceeds	Amount INR crores
1	Yes Bank	418.60
2	Canara Bank	330.00
3	US Exim Bank	212.54
4	Central Bank of India	209.00
5	Indusind Bank	163.50
6	LIC Of India	155.37
7	Bank of Baroda	150.00
8	Indiabulls Commercial Credit Limited	92.00
9	PNB Housing Finance	66.08
10	IDFC Bank	62.50
11	Asian Development Bank	57.95
12	Exim Bank	50.00
13	IDBI Bank	48.64
14	HDFC Bank	35.00
15	Syndicate Bank	21.79
16	Deutsche Bank	20.00
17	IFCI	13.13
18	NCDs	778.94
19	Commercial Paper	700.00
20	Others	842.65

It may kindly be noted that there has been no adverse observation in this regard in the draft forensic report.

Accordingly, the observation of GT does not commensurate with the applicable legal provisions and statutory norms, which have been duly complied with by the Company.

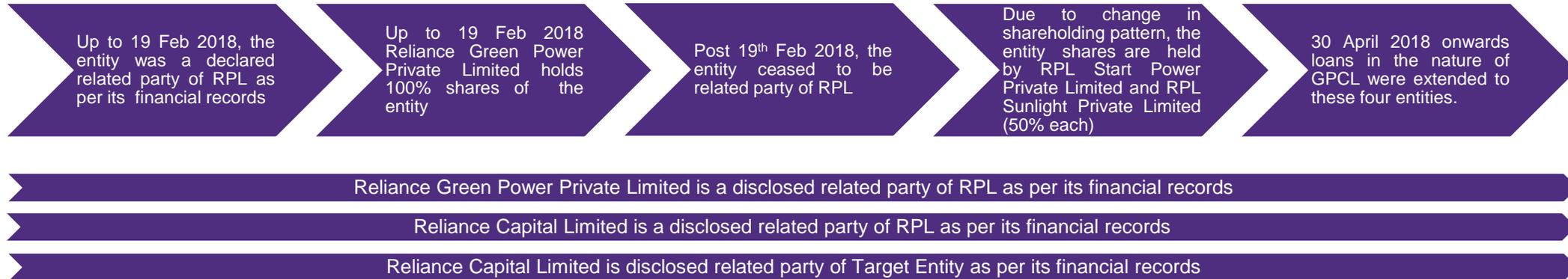
Note: Management response is reproduced in full as provided by the company.

4.1 Entities ceases to be related party of group company before disbursal of loans

Observation: Case 1

On our review of the wholesale loans, we observed that 2 entities (PILE) to whom the Target Entity has disbursed wholesale loans ceased to be a related party of Reliance Power Limited ('RPL') prior to the disbursal of loans. It is pertinent to note that Reliance Capital Limited is a disclosed related party of RPL as per the financials records of RPL. Further, Reliance Capital Limited is a related party of the Target Entity.

- Up to 19 Feb 2018, RPL Solaris Power Private Limited was disclosed as related party of RPL as per its financial records.
- Post 19 Feb 2018, the entity ceased to be a related party of RPL by virtue of the change in ownership.
- The sequence of events is explained below.

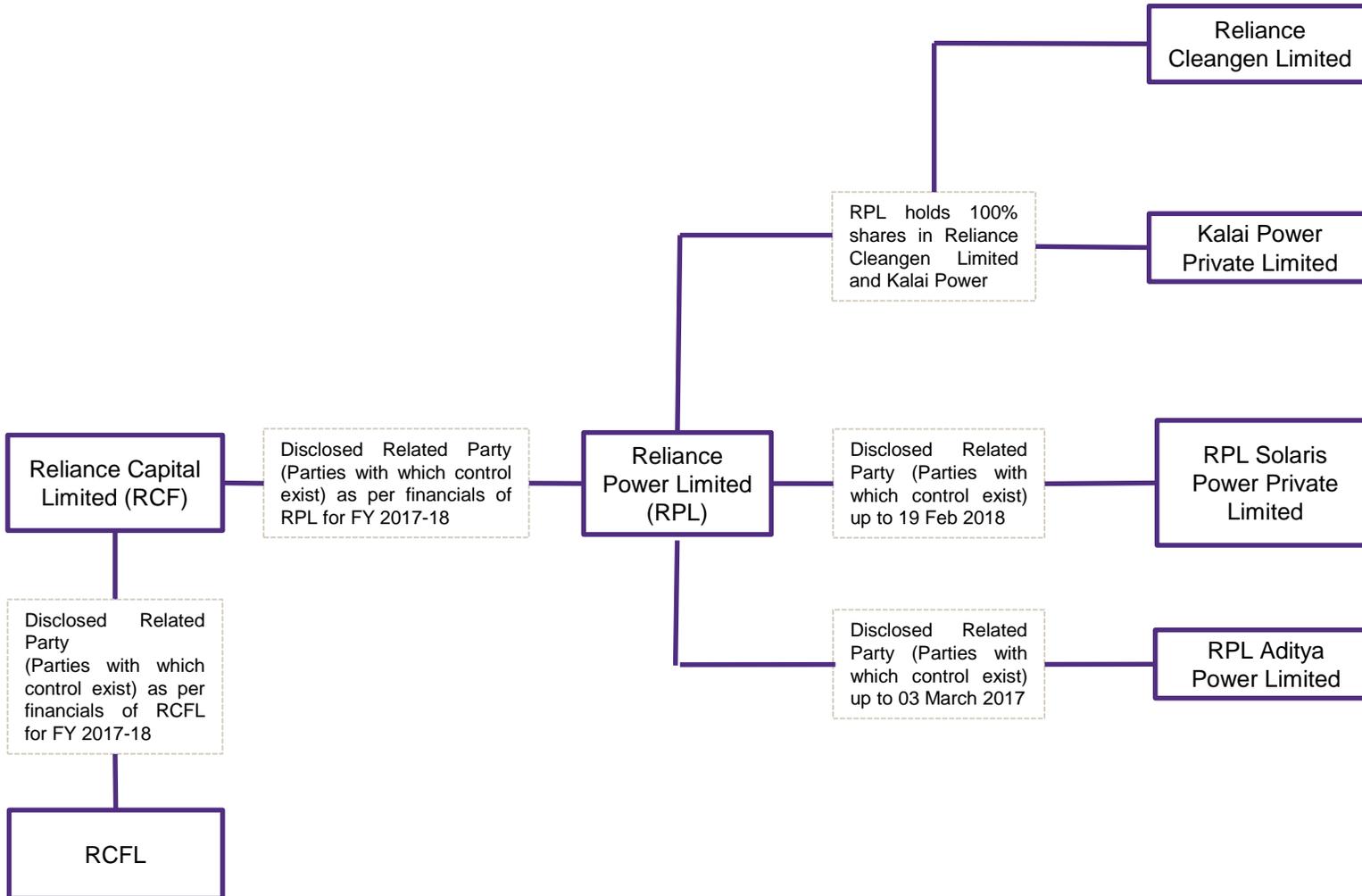


- Similarly, in the case of RPL Aditiya Power Limited, the company ceased to be a related entity of RPL on 03 March 2017.
- Further, in two instances we noted that the loans were extended to subsidiaries of the RPL (Reliance Cleangen Limited and Kalai Power Private Limited)
- Total loans disbursed during our review period to above mentioned 2 entities, with whom relationship ceases to exist aggregates to INR 228 crores.
- For details of the shareholding pattern and nature of the relationship, please refer next slide.

4.1 Entities ceases to be related party of group company before disbursal of loans (Contd')

Observation:

(INR in crores)



Loan Account No.	Date of loan	Amount of Loan
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RLCSCOR000341474	10-Jul-17	40.00
RLCSCOR000344872	26-Oct-17	190.00
RLCSCOR000344901	27-Oct-17	40.00
RLCSCOR000348761	28-Dec-17	191.68
RLCSCOR000403123	23-Jul-18	212.54
RLCSCOR000482905	16-Jan-19	57.95

RLCSCOR000359993	15-Mar-18	250.00
RLCSCOR000370748	25-Apr-18	10.80

RLCSCOR000372609	30-Apr-18	126.00
RLCSCOR000389447	22-Jun-18	62.00

RLCSCOR000481943	31-Dec-18	40.00
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Loan disbursed during review period INR 1,220.97 crores (as per loan disbursal report provided by the Target)

4.1 Entities ceases to be related party of group company before disbursal of loans (Contd')

Shareholding pattern (%) as per Financials available for FY 2016-17 and FY 2017-18

Date of Incorporation	Customer\Shareholder	Nature of Relationship	Reliance Green Power Limited*	Reliance Power Limited	Total
26-Aug-15	RPL Aditya Power Private Limited	Common director, same address, same email Id domain (Note 1)	100	-	100
26-Sep-07	Kalai Power Private Limited	Common director, same address, same email Id domain (Note 2)	-	100	100
07-Sep-15	RPL Solaris Power Private Limited	Common director, same address, same email Id domain (Note 3)	100	-	100
23-Sep-97	Reliance Cleangen Limited	Common director, same address, same email Id domain (Note 4)	-	100	100

Note * Reliance Green Power is a subsidiary of Reliance Power Limited

Shareholding pattern (%) for potentially indirectly linked entities on / before loan disbursal.

Customer\Shareholder	RPL Star Power Private Limited	RPL Sunlight Power Private Limited	Kunjbihari Developers Private Limited	Reliance Power Private Limited	Total
Reliance Cleangen Limited	-	-	-	100	100
RPL Aditya Power Private Limited	-	-	100	-	100
Kalai Power Private Limited	-	-	-	100	100
RPL Solaris Power Private Limited	50	50	-	-	100

4.1 Entities ceases to be related party of group company before disbursal of loans (Contd')

Notes indicating potentially indirectly linked entities mentioned in the above slide.

Note No.	Borrower	Nature of relation		
		Common Director	Same Address of other related party	Registered Email ID of Directors
1	RPL Aditya Power Private Limited	The whole Board is a part of Board of Directors of Kunjbihari Developers Private Limited	The registered address (Plot Bearing CTS No C/1361 B1/1 f at Pali Hill, Bandra West, Mumbai, 400050 is similar to KunjBihari Developers Private Limited.	Domain name of the registered Email Id of the respective Companies is relianceada.com
2	Reliance Cleangen Limited	Anand Budholia was the common Director	The registered address (H Block 1 Floor Dhirubhai Ambani Knowledge City, Navi Mumbai, MH, 400710) Is similar To Reliance Power Limited	
3	Kalai Power Private Limited			
4	RPL Solaris Power Private Limited		The registered address {502, Plot no. 91/94, Prabhat Colony Santa Cruz (East) Mumbai Mumbai City MH 400055 IN} seems to be Reliance center.	As per AOC-4 filed by the company on 30 October 2018, the registered Email Id of the company was murlipurohit@relianceada.com however, the current Email Id is rplsolarispower1998@gmail.com.

4.1 Entities ceases to be related party of group company before disbursal of loans (Contd.)

Observation: Case 2

Similarly, we observed that four entities that were disclosed as related parties of Reliance Infrastructure Limited ('Rinfra'), ceased to be related parties before the disbursal of wholesale loans by the Target Entity. It is pertinent to note that Reliance Capital Limited is a disclosed related party of Rinfra as per the financials records of Rinfra. Further, Reliance Capital Limited is a related party of the Target Entity.

- Up to 30 Sept 2016, the following five entities were disclosed as related parties of Rinfra as per its financial records
 - a. Hirma Power Limited
 - b. Worldcom Solutions Limited
 - c. Species Commerce and Trade Private Limited
 - d. Jayamkondam Power Limited
- Post 30 Sept 2016, these entities ceased to be a related party of Rinfra.
- The sequence of events is explained below.

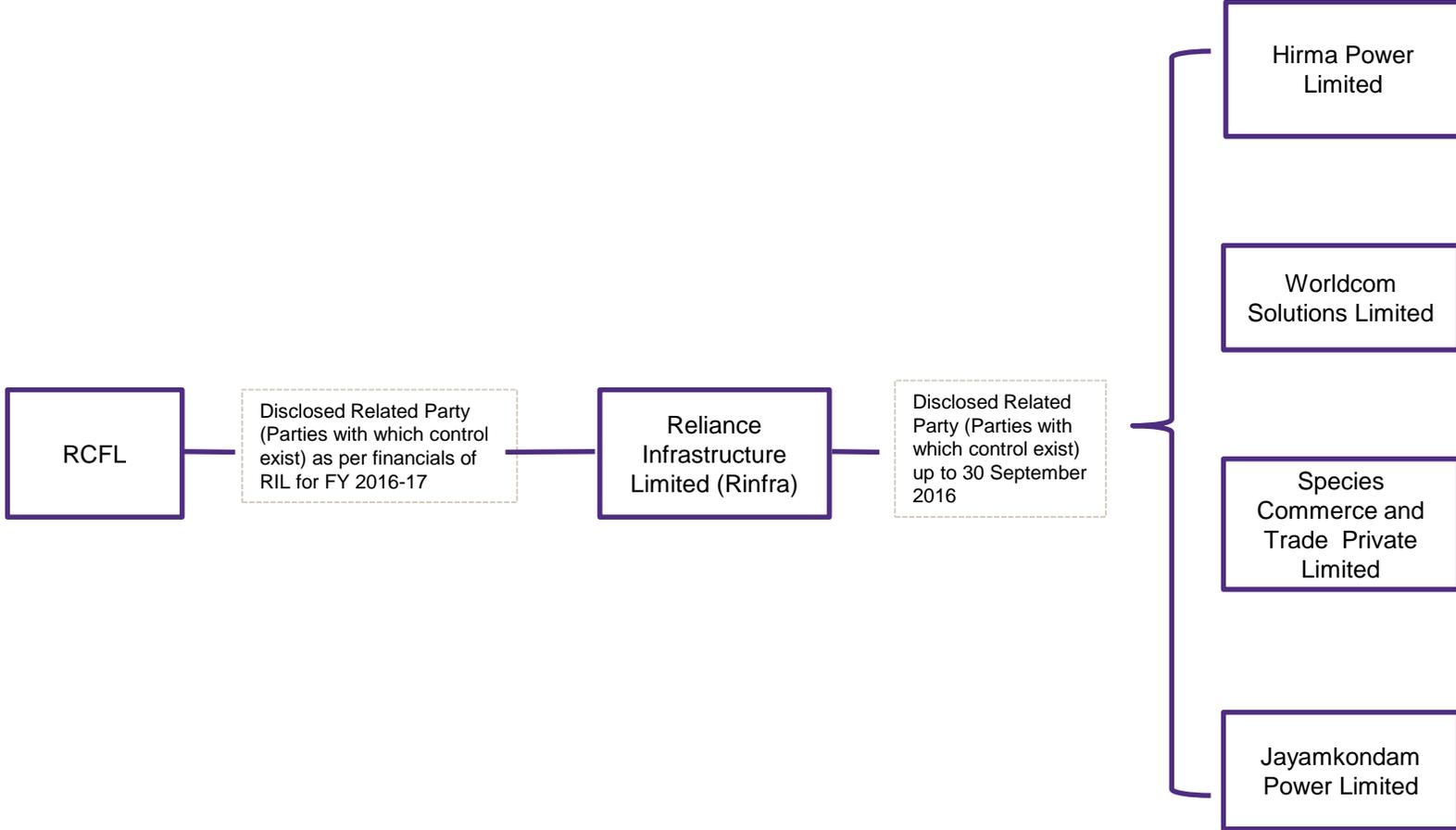


- Total loan disbursed to these four entities during our review period aggregates to INR 1,802.83 crores.

4.1 Entities ceases to be related party of group company before disbursal of loans (Contd.)

(INR in crores)

Observation:



Loan Account No.	Date of loan	Amount of Loan
RLCSCOR000343837	27-Sep-17	110.00
RLCSCOR000344377	10-Oct-17	90.00
RLCSCOR000372596	30-Apr-18	75.00
RLCSCOR000389438	22-Jun-18	19.00
RLCSCOR000482632	11-Jan-19	130.30

RLCSCOR000490958	31-Mar-19	353.03
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RLCSCOR000343427	13-Sep-17	100.00
RLCSCOR000343758	26-Sep-17	100.00
RLCSCOR000441041	19-Sep-18	126.50
RLCSCOR000482655	11-Jan-19	109.00

RLCSCOR000340613	19-Jun-17	250.00
RLCSCOR000340900	27-Jun-17	45.00
RLCSCOR000344864	26-Oct-17	295.00

Loan disbursed during review period INR 1,802.83 crores (as per loan disbursal report provided by the Target)

4.1 Entities ceases to be related party of group company before disbursal of loans (Contd.)

Management response:

We do not agree to the basis of classification of the entities as potential indirectly linked entities. We confirm that the above referred loans have been extended strictly on the basis of individual merits of the respective case and in compliance with the applicable regulatory guidelines with respect to related parties. It is clarified that the said borrowers were not related parties when the loans were sanctioned.

Note: Management response is reproduced in full as provided by the company.

PILE - Potential evergreening of loans

4.2 PILE - Potential Evergreening of loans

Observation:

- On reviewing the repayment pattern of wholesale loan borrowers, it appears that new loans were disbursed to potential indirectly linked entities which appear to have been utilized for repayment of its existing outstanding loan facility.
- Such instances were identified by comparing the date of disbursement of new loans viz-a-viz the date of repayment of existing loans in the disbursement dump, collection report and corresponding bank statements. Transaction wise details are presented in the following slides.

#	New loans borrowers	No of Loans	Amount
1	Reliance Cleangen Limited	2	266.12
2	Hirma Power Limited	1	129.15
	Total	3	395.27



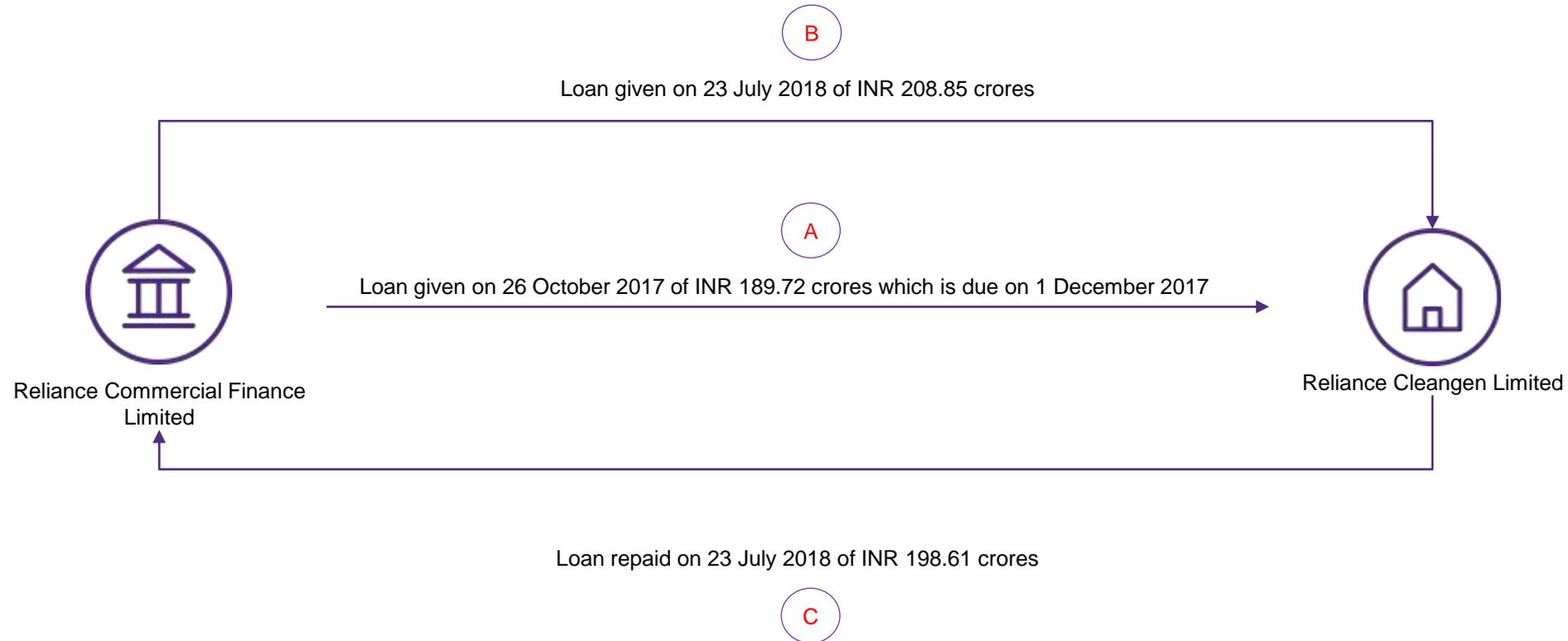
(INR in crores)

#	Existing loans borrowers	No of Loans	Amount
1	Reliance Cleangen Limited	2	240.45
2	Hirma Power Limited	1	128.20
	Total	3	368.65

4.2 PILE - Potential Evergreening of loans (Contd.)

Observation: Case 1

On 23 July 2018, Target Entity extended a wholesale loan to Reliance Cleangen Limited which was potentially used to repay its existing loan. Pictorial representation of these transactions are provided below;



Note: 1. For nature of relationship for potentially indirectly linked entities, please refer exhibit 1A & 1B

2. The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

C Information pertaining to these transactions were provided by the Target Entity

4.2 PILE - Potential Evergreening of loans (Contd.)

Observation: Case 1 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
26-Oct-17	RLCSCOR000348761	RELIANCE CLEANGEN LIMITED	189.72	SME STRUCTURED 365 - CLUSTER
23-Jul-18	RLCSCOR000403123	RELIANCE CLEANGEN LIMITED	212.54	CORPORATE GROUP 2_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
926965	52036634	RLCSCOR000348761**	RELIANCE CLEANGEN LIMITED	196.97	23-July-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
26-Oct-2017	RTGS HDFCR52017102656DR – ICIC0000393-RELIANCECLENGENLIMI TED-N 496151ETBANK, MUM-HDFCR52017102656496151	189.72	
20-Jul-18	RTGS Dr-ICIC0000393-RELIANCECLEANGENLTD-NETBANK, MUM-HDFCR52018072387188933	208.85	

Bank account entries HDFC Bank 00600310011535

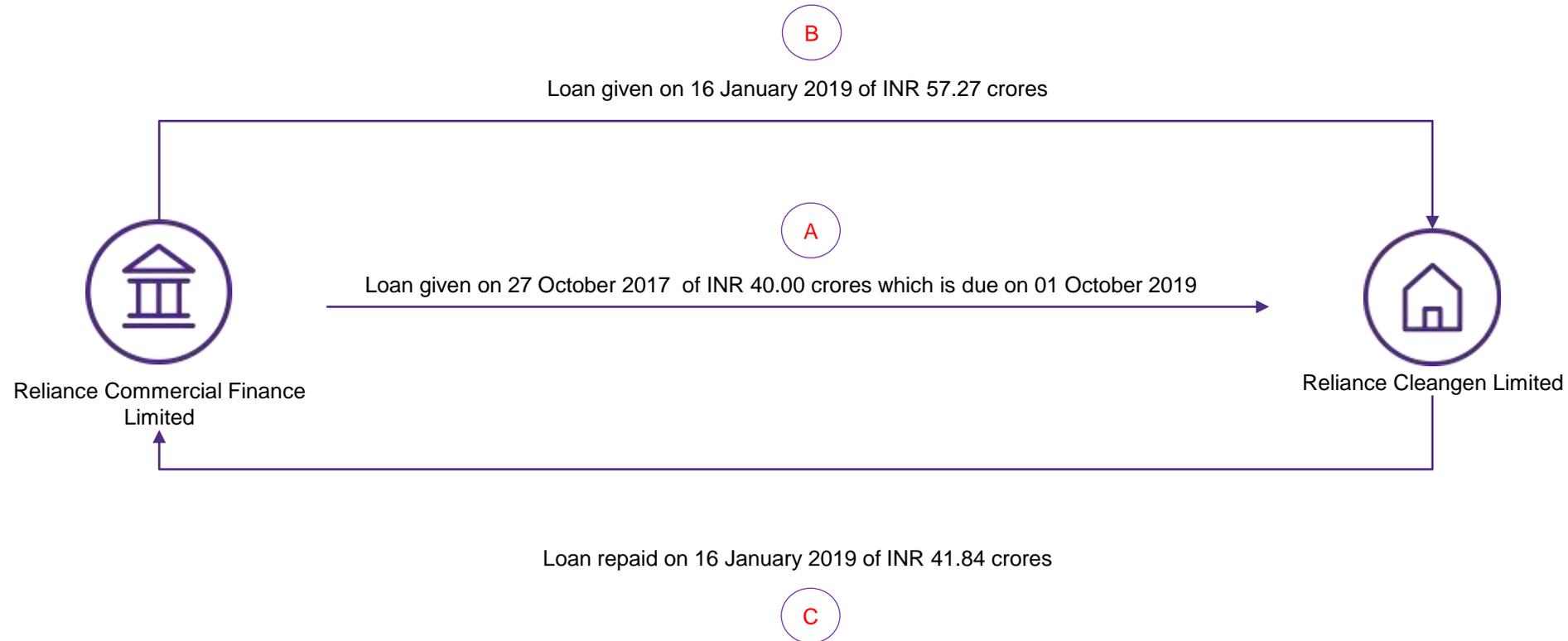
Transaction Date	Description	Debit	Credit
23-Jul-18	RTGS CR-ICIC0000151-RELIANCE CLEANGENLTD-RELIANCE COMMERCIAL FINANCELIMITED-ICICR52018072300211312		198.61

**It is pertinent to note that an amount of INR 189.72 crores was disbursed against loan - RLCSCOR000344901 which was due on 01 October 2018. On 28 December 2018 the said facility was extended by booking a new loan - RLCSCOR000348761. The collection dump provided by the Target Entity provides details of collection of loan amount against the new loan - RLCSCOR000348761 received on 23 July 2018.

4.2 PILE - Potential Evergreening of loans (Contd.)

Observation: Case 2

On 16 January 2019, Target Entity extended a wholesale loan to Reliance Cleangen Limited which was potentially used to repay its existing loan. Pictorial representation of these transactions are provided below;



Note: 1. For nature of relationship for potentially indirectly linked entities, please refer exhibit 1A & 1B

2. The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

C Information pertaining to these transactions were provided by the Target Entity

4.2 PILE - Potential Evergreening of loans (Contd.)

Observation: Case 2 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
27-Oct-17	RLCSCOR000344901	RELIANCE CLEANGEN LIMITED	40.00	SME STRUCTURED 365 - CLUSTER
16-Jan-19	RLCSCOR000482905	RELIANCE CLEANGEN LIMITED	57.95	CORPORATE GROUP 2_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
919937	53924797	RLCSCOR000344901	RELIANCE CLEANGEN LIMITED	41.84	16-Jan-19

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
27-Oct-17	RTGS Dr-ICIC0000393-RELIANCECLEANGENLIMITED-NETBANK, MUM-HDFCR52017102756604327	40.00	
16-Jan-19	RTGS HDFCR52019011660DR-ICIC0000393-RELIANCECLEANGENLTD- NETBA 762071NK, MUM-HDFCR52019011660762071	57.27	

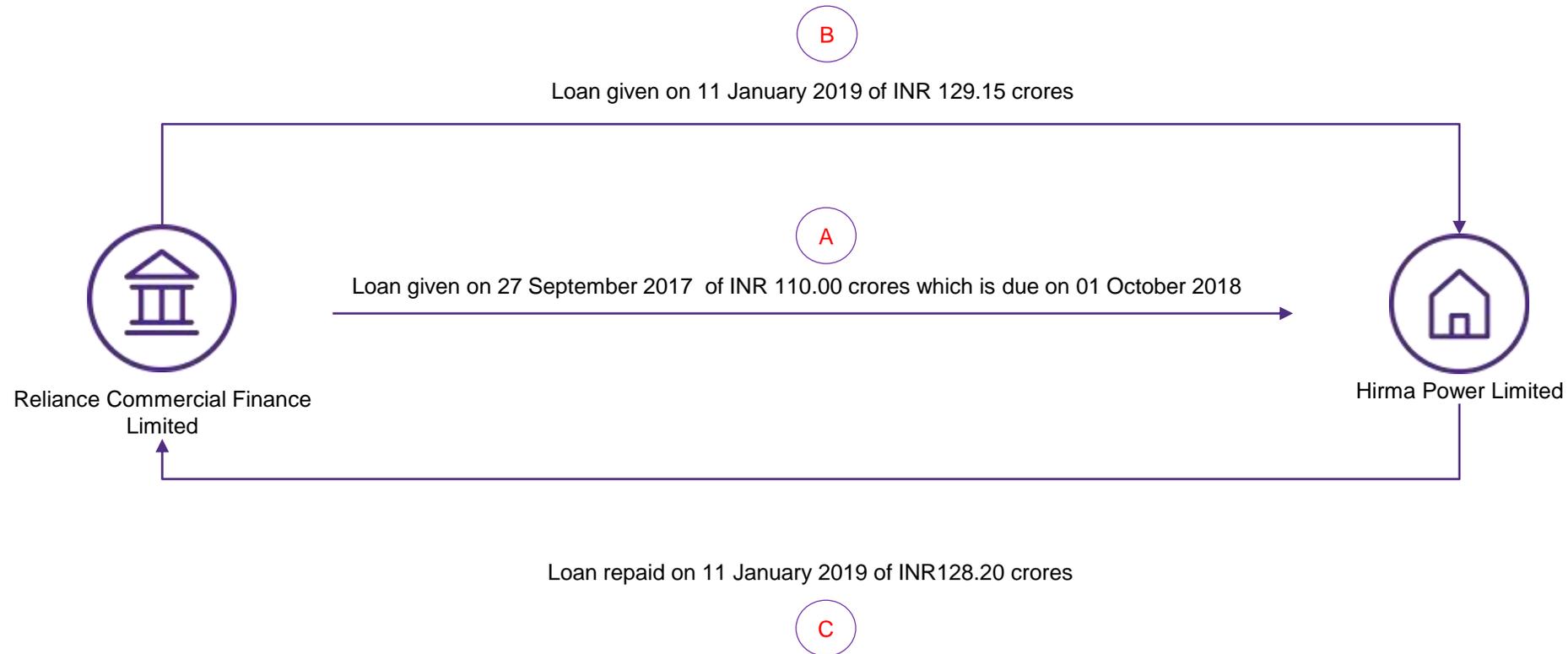
Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
23-July-18	RTGS CR-ICIC0000151-RELIANCE CLEANGENLTD-RELIANCE COMMERCIAL FINANCELIMITED-ICICR52019011600431704		41.84

4.2 PILE - Potential Evergreening of loans (Contd.)

Observation: Case 3

On 11 January 2019, Target Entity extended a wholesale loan to Hirma Power Limited which was potentially used to repay its existing loan. Pictorial representation of these transactions are provided below;



Note: 1. For nature of relationship for potentially indirectly linked entities, please refer exhibit 1A & 1B

2. The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

C Information pertaining to these transactions were provided by the Target Entity

4.2 PILE - Potential Evergreening of loans (Contd.)

Observation: Case 3 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
27-Sep-17	RLCSCOR000343837	HIRMA POWER LIMITED	110.00	SME Structured 365-Cluster
11-Jan-19	RLCSCOR000482632	HIRMA POWER LIMITED	130.30	CORPORATE GROUP 2_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
918941	53894744	RLCSCOR000343837	HIRMA POWER LIMITED	110.00	11-Jan-19

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
27/09/2017	RTGS Dr-ICIC0000004-HIRMAPOWERLIMITED-NETBANK, MUM-HDFCR52017092754581916	110.00	
11/01/2019	RTGS Dr-ICIC0000004-HIRMAPOWERLTD-NETBANK MUM-HDFCR52019011160213261	129.15	

Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
11-Jan-19	RTGS CR-ICIC0000393-HIRMA POWERLIMITED-RELIANCE COMMERCIALFINANCE-ICICR52019011100717097		110.00
11-Jan-19	RTGS CR-ICIC0000393-HIRMA POWERLIMITED-RELIANCE COMMERCIALFINANCE-ICICR52019011100716980		18.20

PILE - Potential circular transactions

4.3 PILE - Potential Circular Transactions

Observation:

- On reviewing the repayment pattern of wholesale loan borrowers, it appears that loans were disbursed to the new borrowers by the Target Entity which were potentially utilized for repayment of the outstanding loan facility taken by the existing borrowers.
- Such instances were identified by comparing the date of disbursement of new loan viz-a-viz the date of repayment of existing loan in the central disbursement, collection account and bank statements respectively. Transaction wise details are presented in the following slides.

Instances of potential circular transactions of loans disbursed to PILE;

For details of such instances please refer next slides.

#	New loans borrowers	No of Loans	Amount
1	Indian Agri Services Private Limited	2	180.00
	Total		180.00



#	Existing loan borrowers	No of Loans	Amount
1	Indian Agri Services Private Limited	2	180.00
	Total		180.00

Instances of potential circular transactions of loans disbursed to entities other than PILE (For details refer section 6 of the report)

#	New loans borrowers	No of Loans	Amount
1	SKIL Shipyard Holdings Private Limited	2	283.00
2	Imagine Estate Private Limited	2	225.00
3	Goregaon Hotel and Realty Private Limited	1	120.98
4	D B Realty Limited	1	107.05
5	Square Yards Consulting Private Limited	2	40.00
	Total	8	776.03

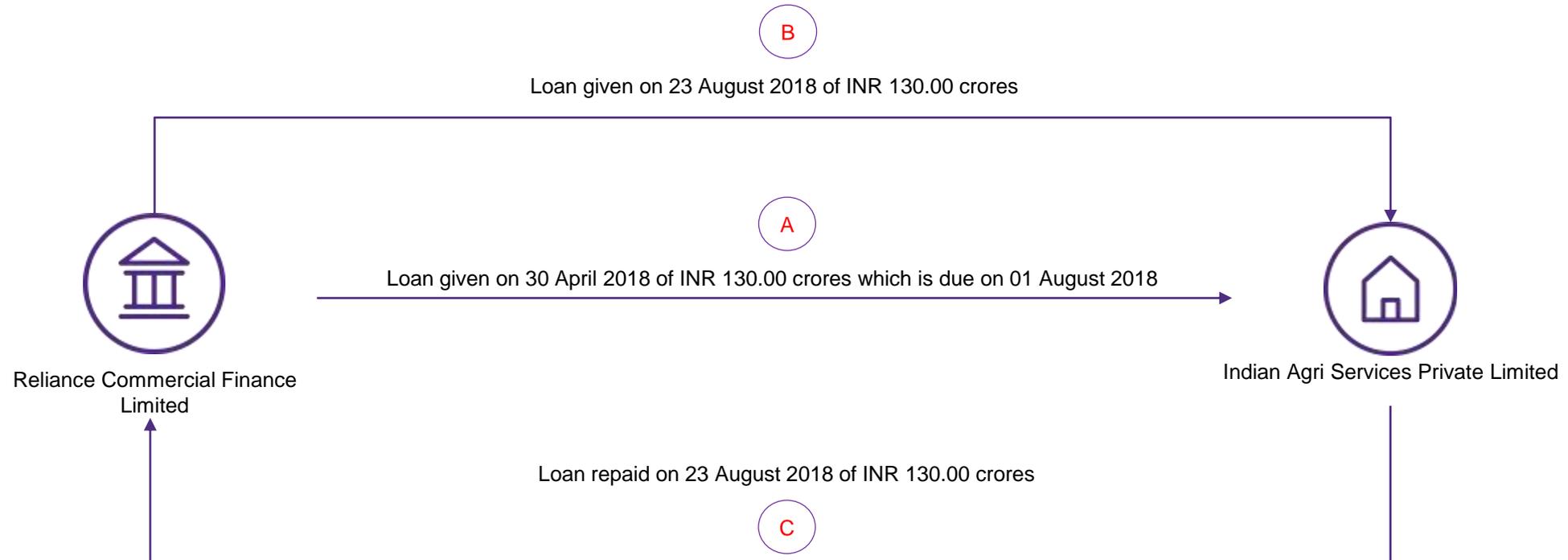


#	Existing loan borrowers	No of Loans	Amount
1	SKIL Shipyard Holdings Private Limited	2	230.20
2	RAB Enterprises (India) Private Limited	2	231.70
3	Goregaon Hotel and Realty Private Limited	1	105.74
4	D B Realty Limited	1	89.75
5	Square Yards Consulting Private Limited	4	40.00
	Total	10	697.39

4.3 PILE - Potential Circular Transactions

Observation: Case 1

On 23 August 2018, Target Entity extended a wholesale loan to Indian Agri Services Private Limited which was potentially used to repay its existing loan. Pictorial representation of these transactions are provided below;



Note: The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

4.3 PILE - Potential Circular Transactions

Observation: Case 1 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
30-Apr-18	RLCSCOR000373597	INDIAN AGRI SERVICES PRIVATE LIMITED	130.00	CORPORATE GROUP 2_365
23-Aug-18	RLCSCOR000422009	INDIAN AGRI SERVICES PRIVATE LIMITED	130.00	CORPORATE GROUP 2_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
957986	52516054	RLCSCOR000373597	INDIAN AGRI SERVICES PRIVATE LIMITED	130.00	23-Aug-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
03-May-18	RCL 805037342599*	130.00	
23-Aug-18	FT-57500000149668-INDIAN AGRI SERVICES PVT LTD	130.00	

Bank account entries HDFC Bank 00600310011535

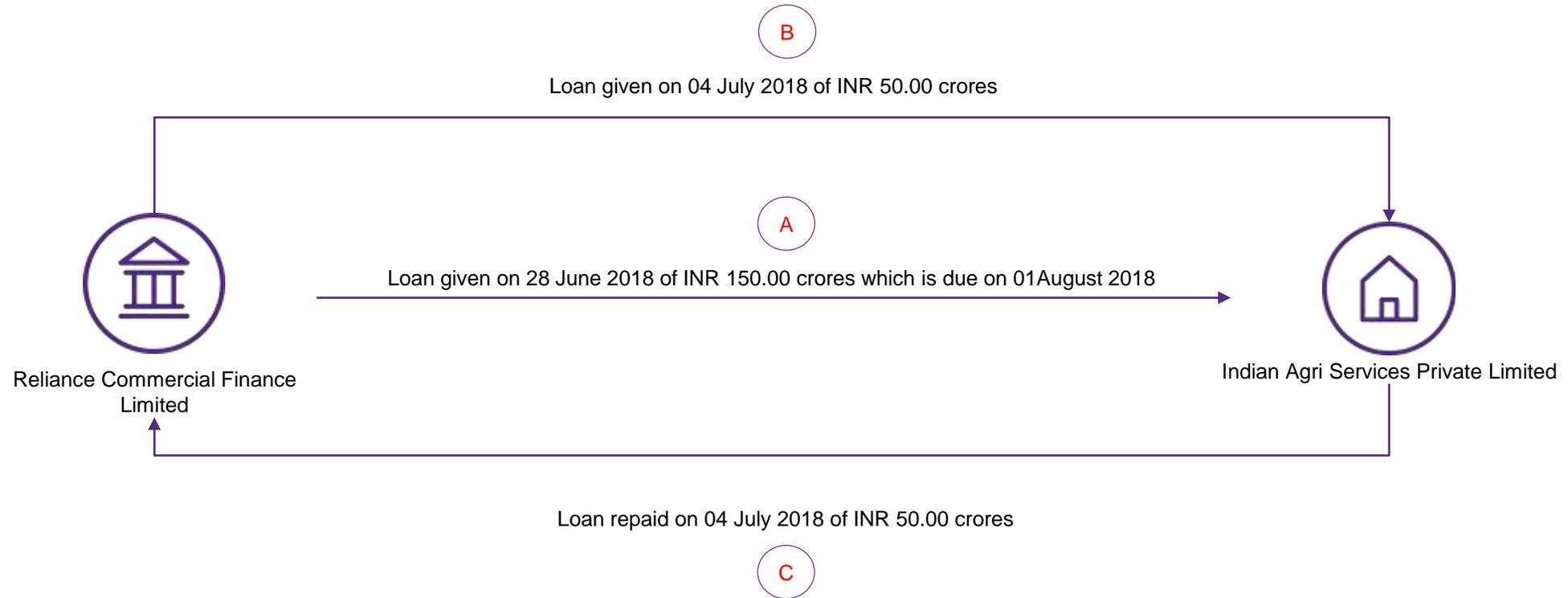
Transaction Date	Description	Debit	Credit
23-Aug-18	FT-57500000149668-INDIAN AGRI SERVI CESPVT LTD		130.00

*Note: Information pertaining to this transaction (RCL 805037342599) was provided by the Target Entity as we were unable to trace the same in the bank statements

4.3 PILE - Potential Circular Transactions

Observation: Case 2

On 04 July 2018, Target Entity extended a wholesale loan to Indian Agri Services Private Limited which was potentially used to repay its existing loan. Pictorial representation of these transactions are provided below;



Note: The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

4.3 PILE - Potential Circular Transactions

Observation: Case 2 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
28-June-18	RLCSCOR000392396	INDIAN AGRI SERVICES PRIVATE LIMITED	150.00	CORPORATE GROUP 2_365
04-Jul-18	RLCSCOR000396082	INDIAN AGRI SERVICES PRIVATE LIMITED	50.00	CORPORATE GROUP 2_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
979866	51851930	RLCSCOR000392396	INDIAN AGRI SERVICES PRIVATE LIMITED	50.00	11-Jul-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
28-June-18	RCL 806283837800*	150.00	
04-Jul-18	RCL 807040081844*	50.00	

Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
04-Jul-18	FT-00322000020534-INDIAN AGRI SERVICESPRIVATE L		50.00

*Note: Information pertaining to these transactions (RCL 806283837800 and RCL 807040081844) were provided by the Target Entity as we were unable to trace the same in the bank statements

4.3 PILE - Potential Circular Transactions

Management response:

The loans sanctioned to the said borrowers referred by GT in its draft report are misconstrued as evergreening or circular transactions. There was no change in the existing loan terms like increase in tenor or moratorium; and these loans were sanctioned under working capital term loans (WCTL) with an option of renewing credit facilities. There has been no violation of any regulatory norms in relation to the said loans.

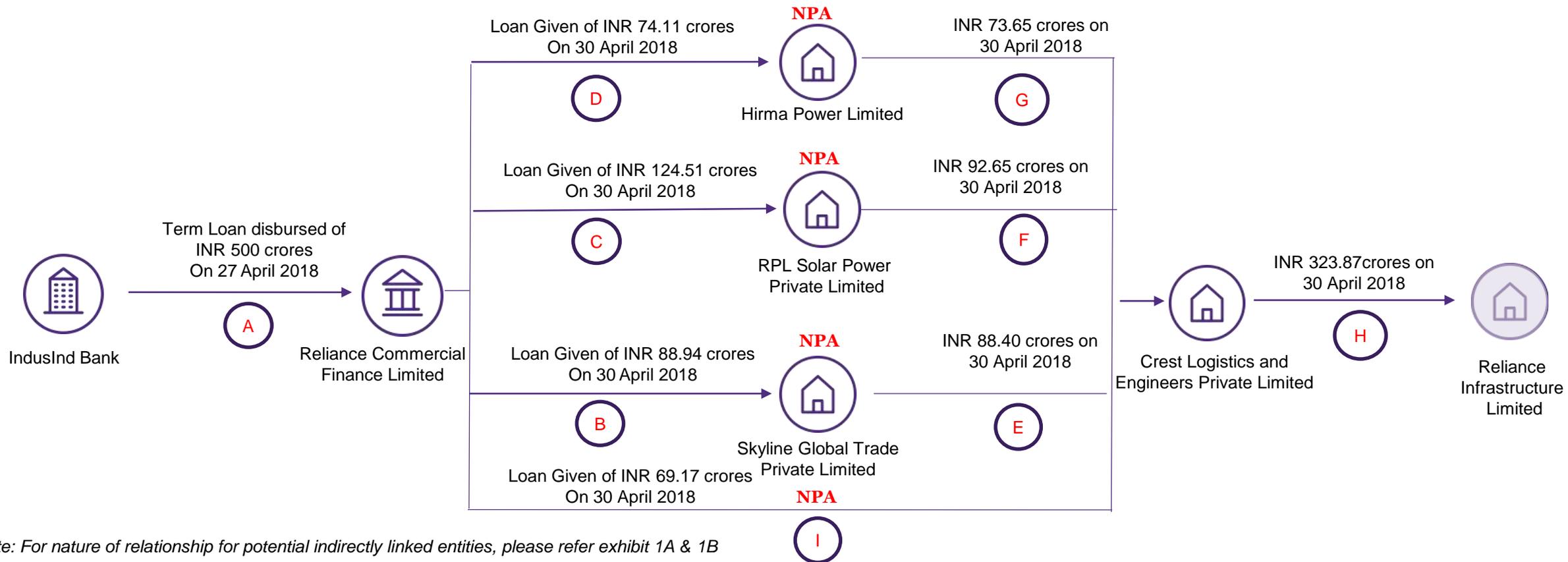
Note: Management response is reproduced in full as provided by the company.

Proceeds of term loan indirectly transferred to group entity through PILE

4.4 Proceeds of term loan indirectly transferred to group entity through PILE

Observation:

On review of the term loan obtained by the Target Entity on 27 April 2018 from Indusind Bank of INR 500 crores towards 'onward lending business of the company', it appears that an amount aggregating to INR 356.73 crores was transferred to potential indirectly linked entities ('Hirma Power Limited', 'RPL Solar Power Limited', 'Crest Logistics and Engineers Private Limited' and 'Skyline Global Trade Private Limited') as wholesale loans, out of which INR 254.70 crores was further transferred to 'Crest Logistics and Engineers Private Limited'. Further, INR 323.87 crores was transferred from 'Crest Logistics and Engineers Private Limited' to 'Reliance Infrastructure Limited'. Pictorial representation of these transactions are provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

E F G H I

Information pertaining to these transactions were provided by the Target Entity |

NPA – Non-Performing Asset as on 31 October 2019

4.4 Proceeds of term loan indirectly transferred to group entity through PILs (Contd.)

Observation:

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
30-Apr-2018	30-Apr-2018	RLCSCOR000372596	Hirma Power Limited	74.11	75.00	Corporate Group 2_365
30-Apr-2018	30-Apr-2018	RLCSCOR000372609	RPL Solar Power Private Limited	124.51	126.00	Corporate Group 2_365
30-Apr-2018	30-Apr-2018	RLCSCOR000372605	Skyline Global Trade Private Limited	88.94	90.00	Corporate Group 2_365
30-Apr-2018	30-Apr-2018	RLCSCOR000372607	Crest Logistics and Engineers Private Limited	69.17	70.00	Corporate Group 2_365

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
27-Apr-2018	NEFT CR-INDB0000006-RELIANCE COMMERCIAL		493.01
30-Apr-2018	RTGS DR-ICIC0000004-HIRMAPOWERLIMITED-NE	74.11	
30-Apr-2018	RTGS DR-ICIC0000151-RPLSOLARISPOWERPRIVA	124.51	
30-Apr-2018	RTGS DR-ICIC0000004-SKYLINEGLOBALTRADEP	88.94	
30-Apr-2018	RTGS HDFCR52018043076DR-ICIC0000004-CRESTLOGISTICSANDENG INEER 056773S-NETBANK, MUM-HDFCR520180430760567 73	69.17	

4.4 Proceeds of term loan indirectly transferred to group entity through PILs (Contd.)

Management response:

Here again, the GT observation in the draft report appears to be based on surmises and conjectures which approach we believe is erroneous. The correct facts as set out below should have been appreciated by the GT team before arriving at such conclusion. The loan sanctioned by the Company as referred to by GT in its draft report has been misconstrued to be out of loan availed from IndusInd Bank. It is submitted that the term loan of INR 254.70 crores were utilized for repayment of bank borrowings of RINFRA in the following manner:

Particulars	Amount INR crores
Repayment of Yes Bank Term Loan	160.03
Repayment of IDBI Bank Term Loan	48.64
Repayment of Deutsch Bank Term Loan	20.00
Repayment of interest on Term Loan	41.77

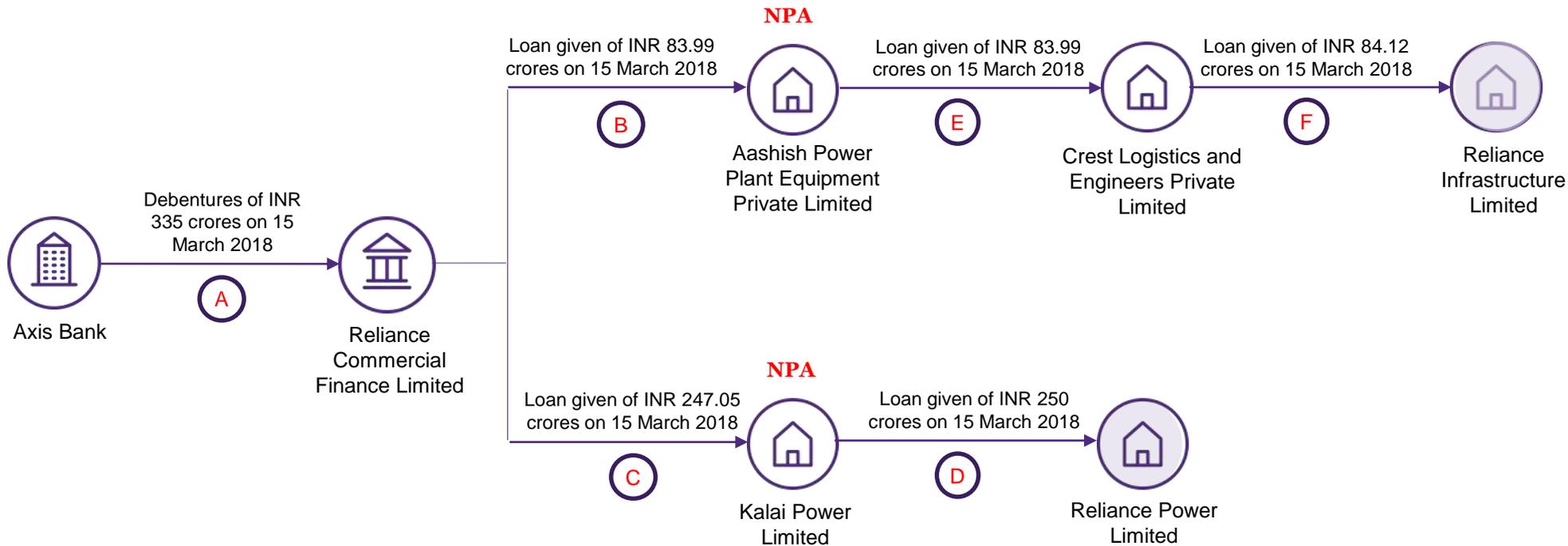
Note: Management response is reproduced in full as provided by the company.

Proceeds of secured debentures indirectly transferred to group entities through PILE

4.5 Proceeds of secured debentures indirectly transferred to group entities through PILE

Observation:

On review of Secured Debentures issued by the Target Entity on 15 March 2018 to Axis Bank of INR 335 crores, it appears that an amount aggregating to INR 331.04 crores was transferred to potential indirectly linked entities ('Kalai Power Private Limited' and 'Aashish Power Plant Equipment Private Limited') as wholesale loans. Further, amount aggregating to INR 334.12 crores was transferred from these entities to 'Reliance Power Limited' and 'Reliance Infrastructure Limited'. Pictorial representation of these transactions is provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

(D) (E) (F) Information pertaining to these transactions were provided by the Target Entity

NPA – Non-Performing Asset as on 31 October 2019

4.5 Proceeds of secured debentures indirectly transferred to group entities through PILE (Contd.)

Observation:

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
15 March 2018	15 March 2018	RLCSCOR000359994	Aashish Power Plant Equipment Private Limited	83.99	85.00	CORPORATE GROUP 2_365
15 March 2018	15 March 2018	RLCSCOR000359993	Kalai Power Limited	247.05	250.00	CORPORATE GROUP 2_365

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
15 March 2018	RTGS CR-UTIB0000099-AXIS BANK-RELIANCE COMMERCIAL FINANCE LIMITED-UTIBR52018031500679548		335.00
15 March 2018	RTGS HDFCR52018031569DR-ICIC0000393-KALAIPOWERPRIVATELIMITED-540061NETBANK, MUM-HDFCR52018031569540061	247.05	
15 March 2018	RTGS HDFCR52018031569DR-ICIC0000393-AASHISHPOWERPLANTEQU IPMEN 541238T-NETBANK, MUM-HDFCR520180315695412 38	83.99	

4.5 Proceeds of secured debentures indirectly transferred to group entities through PILE (Contd.)

Management response:

It is submitted that the proceeds of secured debenture of INR 334.12 crores were utilized for repayment of bank borrowings of RInfra and RPower respectively in the following manner:

Particulars	Amount INR crores
Repayment of IDFC Bank Term Loan by Rinfra	62.50
Repayment of IFCI Bank Term Loan by Rinfra	13.13
Repayment of Commercial Papers by Rinfra	18.00
Repayment of NCD by Rpower	250.00

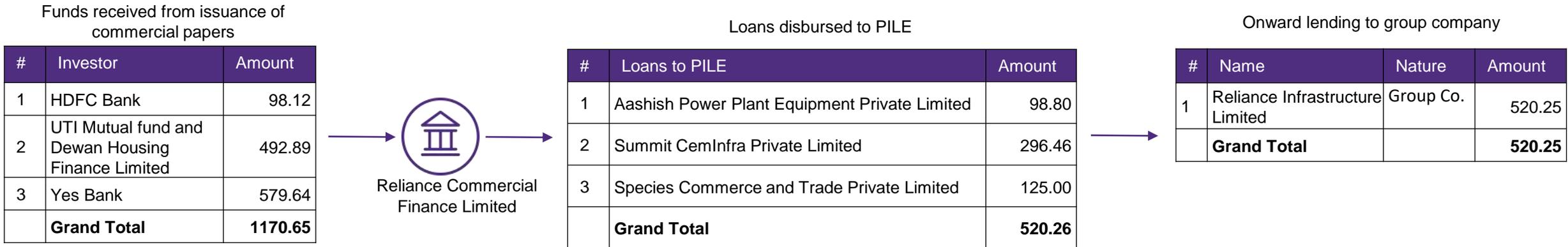
Note: Management response is reproduced in full as provided by the company.

Proceeds of commercial paper indirectly transferred to group entity through PILE

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE

On review of commercial paper issued by Target Entity during our review period, it appears that INR 520.26 crores were transferred to Potential Indirectly Linked Entities ('PILE') as wholesale loans which were eventually transferred to 'Reliance Infrastructure Limited'. Details of each such instances is provided in subsequent slides.

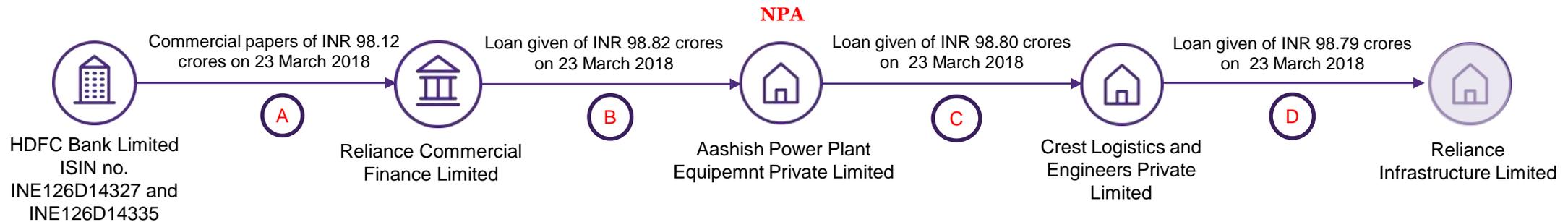
(INR in crores)



4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE

Observation: Case 1

On review of Commercial Paper issued by the Target Entity on 23 March 2018 to HDFC Bank of India of INR 98.12 crores, it appears that amount aggregating to INR 98.82 crores was transferred through potential indirectly linked entity ('Aashish Power Plant Equipment Private Limited') as wholesale loan to Crest Logistics and Engineers Private Limited. Further, amount aggregating to INR 98.79 crores was eventually transferred to Reliance Infrastructure Limited through Crest Logistics and Engineers Private Limited. Pictorial representation of these transactions is provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

(C) (D) Information pertaining to these transactions were provided by the Target Entity

NPA – Non-Performing Asset as on 31 October 2019

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE (Contd.)

Observation: Case 1 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
23 March 2018	23 March 2018	RLCSCOR000362050	Aashish Power Plant Equipment Private Limited	98.80	100.00	CORPORATE GROUP 2_365

Bank Account entries ICICI Bank 039305008528

(INR in crores)

Transaction Date	Description	Debit	Credit
23 March 2018	RTGS-HDFCR52018032370833099-HDFC BANK LTD-SETTLEMNT A/C - TROPS SECURITIES-HDFC		49.11
23 March 2018	RTGS-HDFCR52018032370833295-HDFC BANK LTD-SETTLEMNT A/C - TROPS SECURITIES-HDFC		49.00

Bank Account entries HDFC Bank 00600310011545

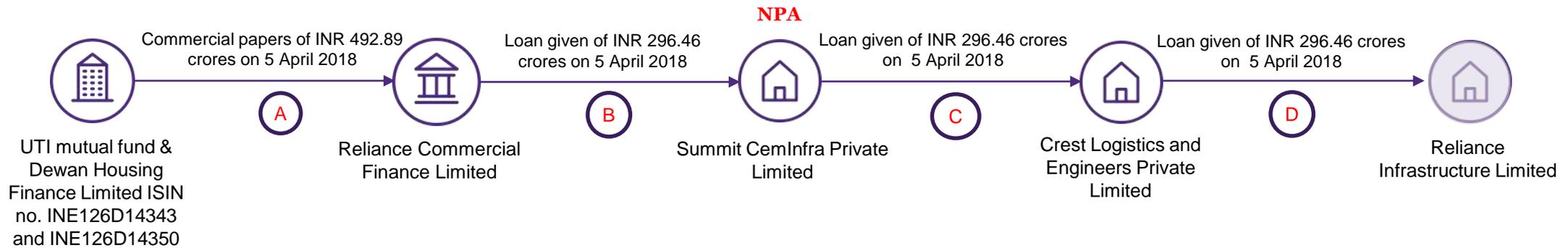
(INR in crores)

Transaction Date	Description	Debit	Credit
23 March 2018	RTGS HDFCR52018032370DR-ICIC0000393-AASHISHPOWERPLANTEQU IPMEN 862483=-NETBANK, MUM-HDFCR5201803237086248 3	98.82	

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE (Contd.)

Observation: Case 2

On review of Commercial Paper issued by the Target Entity on 05 April 2018 to UTI Mutual Fund and Dewan Housing Finance Limited of INR 199.04 crores and INR 293.85 crores respectively, it appears that amount aggregating to INR 296.46 crores was transferred through potential indirectly linked entity ('Summit Ceminfra Private Limited') as wholesale loan to Crest Logistics and Engineers Private Limited. Further, amount aggregating to INR 296.46 crores was eventually transferred to Reliance Infrastructure Limited through Crest Logistics and Engineers Private Limited. Pictorial representation of these transactions is provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

(C) (D) Information pertaining to these transactions were provided by the Target Entity

NPA – Non-Performing Asset as on 31 October 2019

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE (Contd.)

Observation: Case 2 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
5 April 2018	5 April 2018	RLCSCOR000366897	Summit CemInfra Private Limited	296.46	300.00	CORPORATE GROUP 2_365

Bank Account entries ICICI Bank 039305008528

(INR in crores)

Transaction Date	Description	Debit	Credit
5 April 2018	RIGS-UTIBR52018040500481144-UTI MUTUAL FUND-00401200518000-UTIB0000004		199.04
5 April 2018	RIGS-UTIBR52018040500482822-DEWAN HOUSING FINANCECORPORATION-004010203312906-UT		293.85

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
5 April 2018	RCL N095180513057654*	296.46	

*Note: Information pertaining to this transaction (RCL N095180513057654) was provided by the Target Entity as we were unable to trace the same in the bank statements

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE (Contd.)

Observation: Case 3

On review of Commercial Paper issued by the Target Entity on 19 September 2018 to Yes Bank Limited of INR 579.64 crores, it appears that amount aggregating to INR 125 crores was transferred through potential indirectly linked entity ('Species Commerce and Trade Private Limited') as wholesale loan to Crest Logistics and Engineers Private Limited. Further, amount aggregating to INR 125 crores was eventually transferred to Reliance Infrastructure Limited through Crest Logistics and Engineers Private Limited. Pictorial representation of these transactions is provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

(C) (D) Information pertaining to these transactions were provided by the Target Entity

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE (Contd.)

Observation: Case 3 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
19 September 2018	19 September 2018	RLCSCOR000441041	Species Commerce and Trade Private Limited	125.00	126.50	CORPORATE GROUP 2_365

Bank Account entries ICICI Bank 039305008528

(INR in crores)

Transaction Date	Description	Debit	Credit
19 September 2018	RTGS-YESBR52018091957888565-TREASURY RIGS OPS ACCT-105052414-YESB0000001		579.64

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
19 September 2018	NEFT DR-ICIC0000393-SPECIES COMMERC E AND N262180636018595TRADE PVT LTD-SONAWALA,MUM-N262180636018595	125.00	

4.6 Proceeds of commercial paper indirectly transferred to group entity through PILE (Contd.)

Management response:

Proceed of commercial papers in 3 instances for INR 520.25 crore has been utilized for repayments of bank borrowings of Rinfra in the following manner. The Company has been in compliance with all applicable regulatory provisions including for transaction with related parties.

Particulars	Amount INR crores
Repayment of Central Bank Term Loan by Rinfra	300.00
Repayment of Bank of Baroda Term Loan by Rinfra	150.00
Repayment of Canara Bank term Loan by Rinfra	250.00

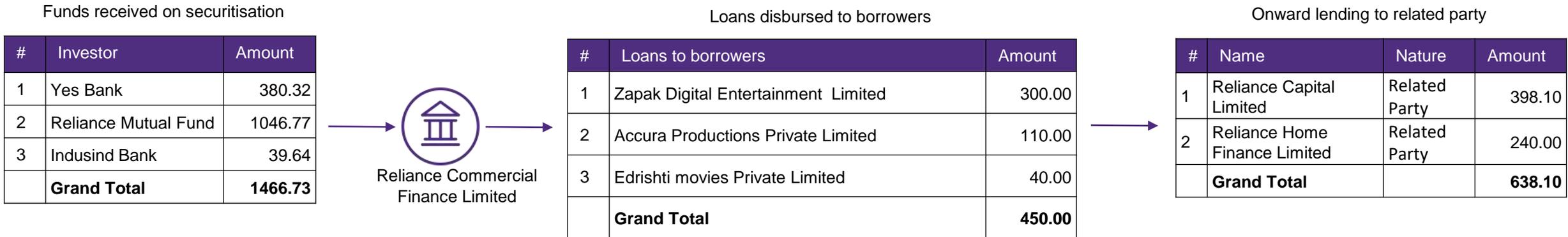
Note: Management response is reproduced in full as provided by the company.

Proceeds of securitisation indirectly transferred to related parties through PILE

4.7 Proceeds of securitisation indirectly transferred to related parties through PILE

On review of funds received on securitisation by Target Entity during our review period it appears that INR 450 crores were transferred to Potential Indirectly Linked Entities ('PILE') as wholesale loans which were eventually transferred to related parties of the Target Entity. Details of each such instances is provided in subsequent slides.

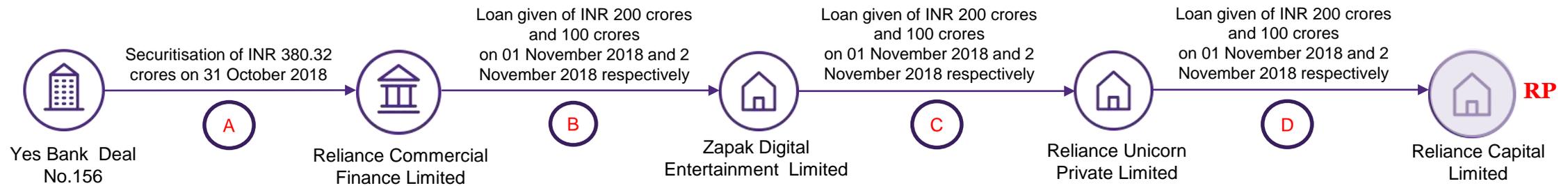
(INR in crores)



4.7 Proceeds of securitisation transferred to related parties through PILE

Observation: Case 1

On review of debt securitised by the Target Entity on 31 October 2018 to Yes Bank of INR 380.32 crores, it appears that amount aggregating to INR 300 crores was transferred to “Reliance Capital Limited” through potential indirectly linked entities as wholesale loans. Pictorial representation of these transactions are provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

(C) **(D)** Information pertaining to these transactions were provided by the Target Entity | **RP** - Related Party

4.7 Proceeds of securitisation transferred to related parties through PILE (Contd.)

Observation: Case 1 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
31 October 2018	31 October 2018	RLCSCOR000467542	Zapak Digital Entertainment Limited	100.00	100.00	CORPORATE GROUP 2_365
31 October 2018	31 October 2018	RLCSCOR000466629	Zapak Digital Entertainment Limited	200.00	200.00	CORPORATE GROUP 2_365

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

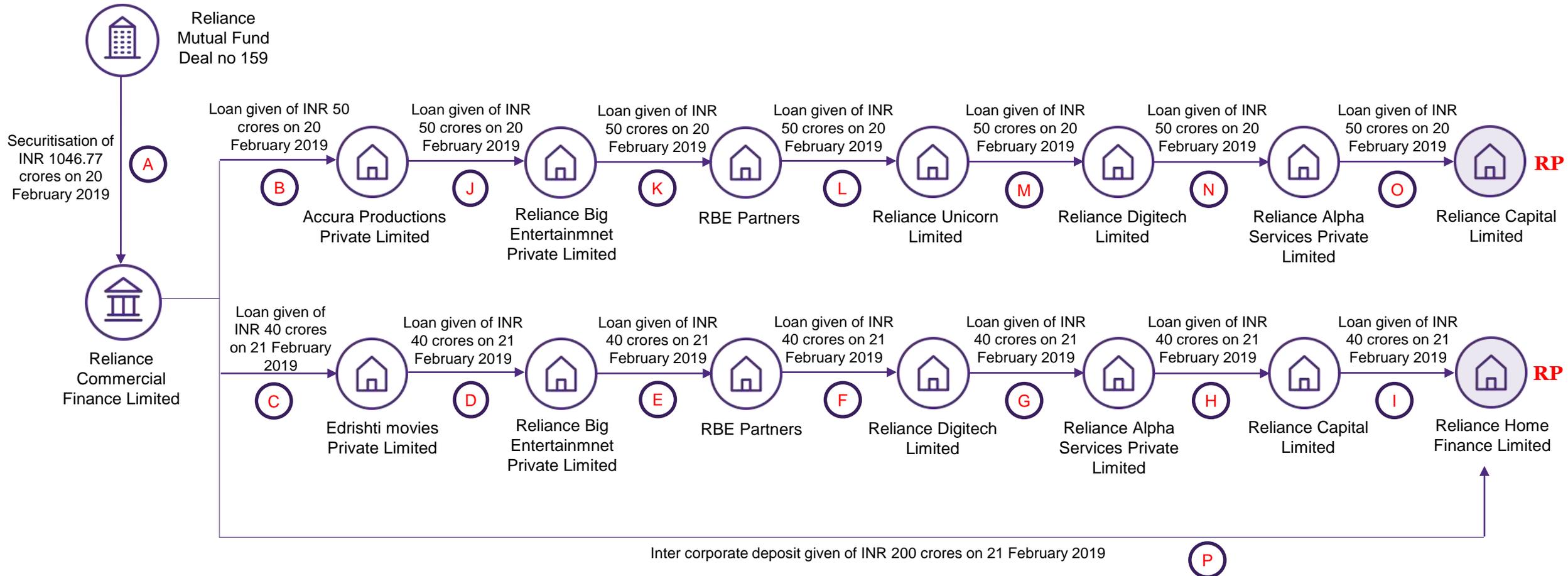
Transaction Date	Description	Debit	Credit
31 October 2018	NEFT CR-YESB0000803-RELIANCE N304180163208612COMMERCIAL-RELIANCE COMMERCIAL FINA NCELTD-N304180163208612		380.32
1 November 2018	FT-06662320000066-ZAPAK DIGITAL ENTERTAINMENT LI	200.00	
2 November 2018	RCL 811027513713*	100.00	

*Note: Information pertaining to this transaction (RCL 811027513713) was provided by the Target Entity as we were unable to trace the same in the bank statements

4.7 Proceeds of securitisation transferred to related parties through PILE (Contd.)

Observation: Case 2

On review of debt securitised by the Target Entity on 20 February 2019 to Reliance Mutual Fund of INR 1,046.77 crores, it appears that amount aggregating to INR 290 crores was transferred to ‘Reliance Capital Limited’ and ‘Reliance Home Finance Limited’ through potential indirectly linked entities as wholesale loans. Pictorial representation of these transactions are provided below:



(D) to (O) Information pertaining to these transactions were provided by the Target Entity | RP - Related Party

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

4.7 Proceeds of securitisation transferred to related parties through PILE (Contd.)

Observation: Case 2 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
20 February 2019	20 February 2019	RLCSCOR000486564	Accura Productions Private Limited	50.00	50.00	CORPORATE GROUP 2_365
21 February 2019	21 February 2019	RLCSCOR000486681	Edrishti Movies Private Limited	40.00	40.00	CORPORATE GROUP 2_365

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

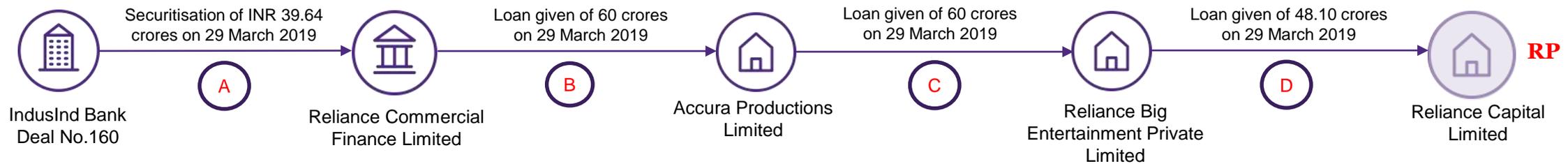
Transaction Date	Description	Debit	Credit
20 February 2019	NEFT CR-UTIB0000274-INDIAN RECEIVAB LE AXISF19051031841TRUST 19 FEB 2-RELIANCE COMMERCIA LFINANCE LTD-AXISF19051031841		500.00
20 February 2019	NEFT CR-UTIB0000274-INDIAN RECEIVAB LE AXISF19051031870TRUST 19 FEB 2-RELIANCE COMMERCIA LFINANCE LTD-AXISF19051031870		500.00
20 February 2019	NEFT CR-UTIB0000274-INDIAN RECEIVAB LE AXISF19051031888TRUST 19 FEB 2-RELIANCE COMMERCIA LFINANCE LTD-AXISF19051031888		46.77
20 February 2019	NEFT DR-ICIC0000393-RELIANCE HOME FINANCE-SONAWALA MUM-N051190756017406	200.00	
20 February 2019	RCF 902200393463*	50.00	
21 February 2019	RCF 902210730584*	40.00	

*Note: Information pertaining to these transactions (RCF 902200393463 and RCF 902210730584) were provided by the Target Entity as we were unable to trace the same in the bank statements

4.7 Proceeds of securitisation transferred to related parties through PILE (Contd.)

Observation: Case 3

On review of debt securitised by the Target Entity on 29 March 2019 to IndusInd bank of INR 39.64 crores, it appears that amount aggregating to INR 48.10 crores was transferred to “Reliance Capital Limited” through potential indirectly linked entities as wholesale loans. Pictorial representation of these transactions are provided below:



Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

(C) (D) Information pertaining to these transactions were provided by the Target Entity | **RP** - Related Party

4.7 Proceeds of securitisation transferred to related parties through PILE (Contd.)

Observation: Case 3 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Agreement Date	Loan Account No.	Customer Name	Disbursal Amount	Disbursed Amount	Nature of Loan
29 March 2019	29 March 2019	RLCSCOR000490700	Accura Productions private Limited	60.00	60.00	CORPORATE GROUP 2_365

Bank Account entries HDFC Bank 00600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
29 March 2019	NEFT CR-INDB0000006-LOAN DISBURSED 182904802CPU-RELIANCE COMMERCIAL FINANCE LTD-000182904802		39.64
29 March 2019	RCFL 903297985860*	40.00	
29 March 2019	RCFL 903299254329*	20.00	

*Note: Information pertaining to these transactions (RCFL 903297985860 and RCFL 903299254329) were provided by the Target Entity as we were unable to trace the same in the bank statements

4.7 Proceeds of securitisation transferred to related parties through PILE (Contd.)

Management response:

- The Company, as part of its regular business practice and in-line with generally accepted industry practice, has securitized part of its portfolio under the extant securitization guidelines. There has been no end use restriction on such proceeds, and the same have been utilized to further the Company's own business activities.
- As confirmed earlier, the Company has been in compliance with all applicable provisions of law as regards transactions with related parties.
- With respect to points (b), (c), (d) above, it may be noted that the finding of the Company's statutory auditors as reported in their Audit Report for the financial year 2018-19, the excerpts whereof are reproduced as under:

"The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanation provided to us, the money raised by way of term loans during the year generally have been applied for the purposes for which they were obtained"

- The Company has also furnished full details to GT of the loans given including its end-use, evidencing that such end-use was for debt servicing to banks and lenders. GT has neither contradicted nor made any adverse observation in this regard.

Note: Management response is reproduced in full as provided by the company.

Site visit

4.8 PILE - Borrowers having similar registered address

Observation: Borrowers having similar registered address

We noted 9 instances where the registered addresses of the borrowers of wholesale loans appears to be similar. In one instance, it appears that 8 wholesale loan borrowers have a similar registered address as per MCA records, indicating that these entities might be potentially indirectly linked. We noted a total of 31 such entities to whom 99 loans were disbursed during our review period aggregating to INR 10,207.54 crores. **For details refer annexure 1**

(INR in crores)

#	Registered Address as per MCA records	Amount	No. of loan disbursed	No. of borrowers
1	Raheja Point Wing B, 7th Floor, Nehru R Near Shamrao Vithal Bank, Vakola, Santacruz (East) Mumbai MH 400055 IN	3,717.18	29	8
	B / 702, Raheja Point 1, Pandit Jawaharlal Nehru Road, Vakola, Santacruz (East) Mumbai City MH 400055 IN			
2	Manek Mahal, 6th Floor, 90 Veer Nariman Road, Mumbai Mumbai City MH 400020 IN	1,860.48	20	4
3	Dev House, 260-261, Tribhuvan Complex, Ishwar Nagar, New Friends Colony New Delhi New Delhi DL 110065 IN	1,318.20	13	2
4	H Block, 1st Floor, Dhirubhai Ambani Knowledge City Navi Mumbai MH 400710 IN	869.15	9	3
5	502, Plot No 91/94, Prabhat Colony Santa Cruz (East) Mumbai MH 400055 IN	586.88	5	3
6	8th Floor, 803/804, Lotus Grandeur, Veera Desai Road Andheri West MUMBAI Mumbai City MH 400053	567.00	11	3
7	Cama Building, 1 st Floor, Dalal Street, Fort, Mumbai, MH 400001 IN	1,100.91	5	5
	24/26, Cama Building, 1st Floor, Dalal Street Fort Mumbai Mumbai City MH 400001 IN			
8	Plot Bearing CTS No C/1361 B1/1 of at Pali Hill, Bandra West Mumbai Mumbai City MH 400050	148.75	5	2
	Total	10,168.55	97	30

4.8 PILE - Site visit

Our source enquires for sample 4 addresses reveals the followings;

1. Site Visit at Manek Mahal, 6th Floor, 90 Veer Nariman Road, Mumbai City MH 400020 IN

(INR in crore)

#	Name of the borrower	Loan amount	Total dues	Registered address of borrowers
1	Adhar Project Management And Consultancy Private Limited NPA	665.19	65.08	Manek Mahal, 6th Floor, 90 Veer Nariman Road, Mumbai Mumbai City MH 400020 IN
2	Gamesa Investment Management Private Limited NPA	370.70	122.70	
3	Medybiz Private Limited	120.00	128.00	
4	Netizen Engineering Private Limited	382.67	0.00	

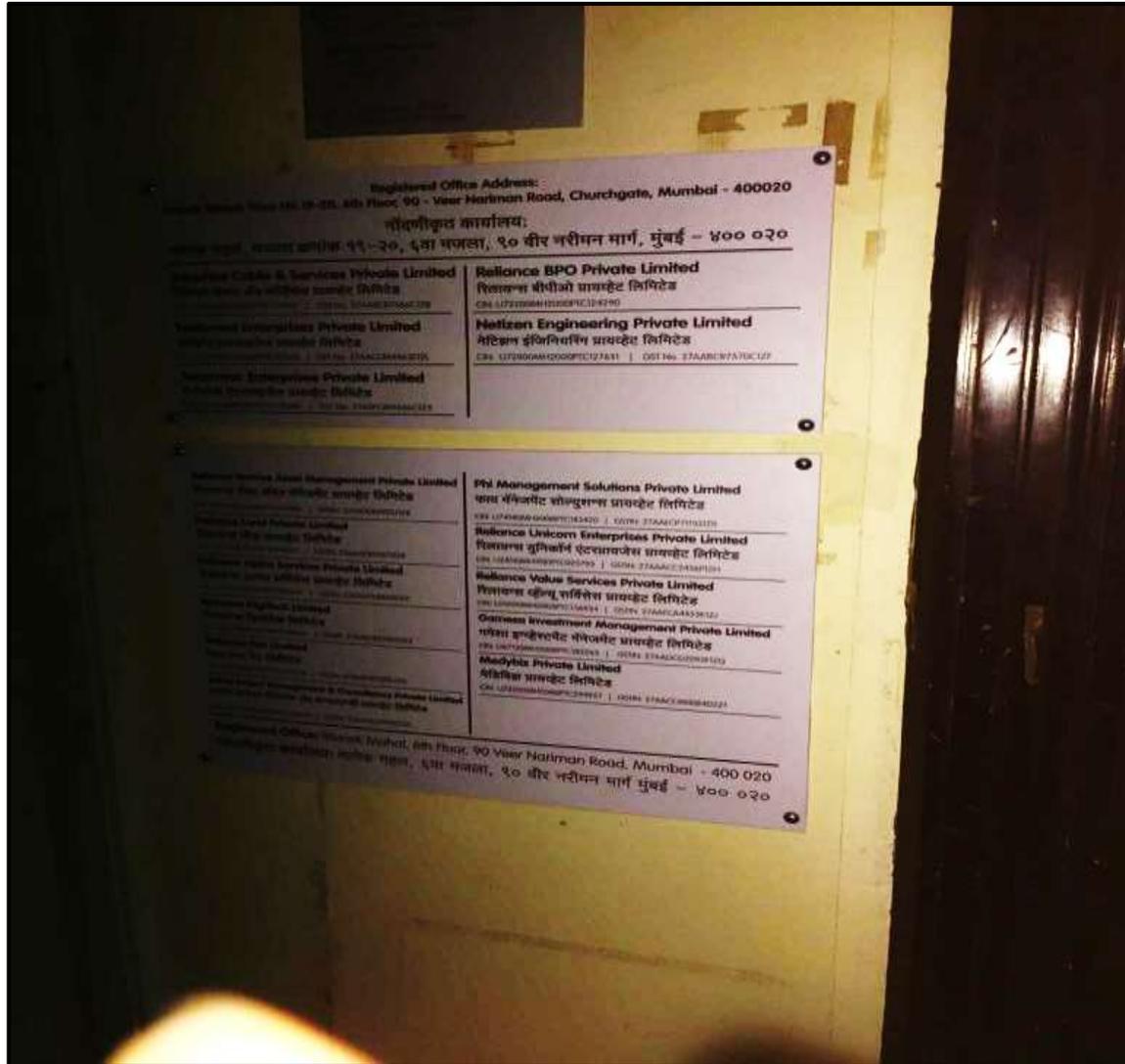
Observation:

- The source enquiry was performed on 20 November 2019
- The security guard stationed on ground floor said that there has been no operation on 6th floor for past 18 years
- Name plate was found on the 6th floor which says that the address belongs to above mentioned 6 borrowers along with 10 other companies. However, the office premise was locked and appears to have been unused for a prolonged period
- A notice was attached on the entrance door of property specifying that “For any courier or post related to reliance or other companies security is available here”
- On further inquiry with the security guard stationed at ground floor, it was noted that a separate security guard is hired by a private entity for the 6th who sits from 10 A.M to 5 P.M.
- Apart from the above mentioned 6 entities following other enterprises were also registered on the same address as per MCA records
 1. Sapphire Cable and Services Private Limited
 2. Telebrand Enterprises Private Limited
 3. Tenormac Enterprises Private Limited
 4. Reliance Ventures Asset Management Private Limited
 5. Reliance Land Private Limited
 6. Reliance Alpha Services Private Limited
 7. Reliance DigiTech Limited
 8. Reliance Net Limited
 9. Reliance BPO Private Limited
 10. Reliance Value Securities Private Limited

NPA - Non Performing Asset as on 31 October 2019

4.8 PILE - Site visit (Contd.)

1. Site Visit at Manek Mahal, 6th Floor, 90 Veer Nariman Road, Mumbai City MH 400020 IN (Contd.)



4.8 PILE - Site visit (Contd.)

1. Site Visit at Manek Mahal, 6th Floor, 90 Veer Nariman Road, Mumbai City MH 400020 IN (Contd.)



4.8 PILE - Site visit (Contd.)

2. Cama Building, 1st Floor, Dalal Street, Fort, Mumbai, MH 400001 IN

(INR in crore)

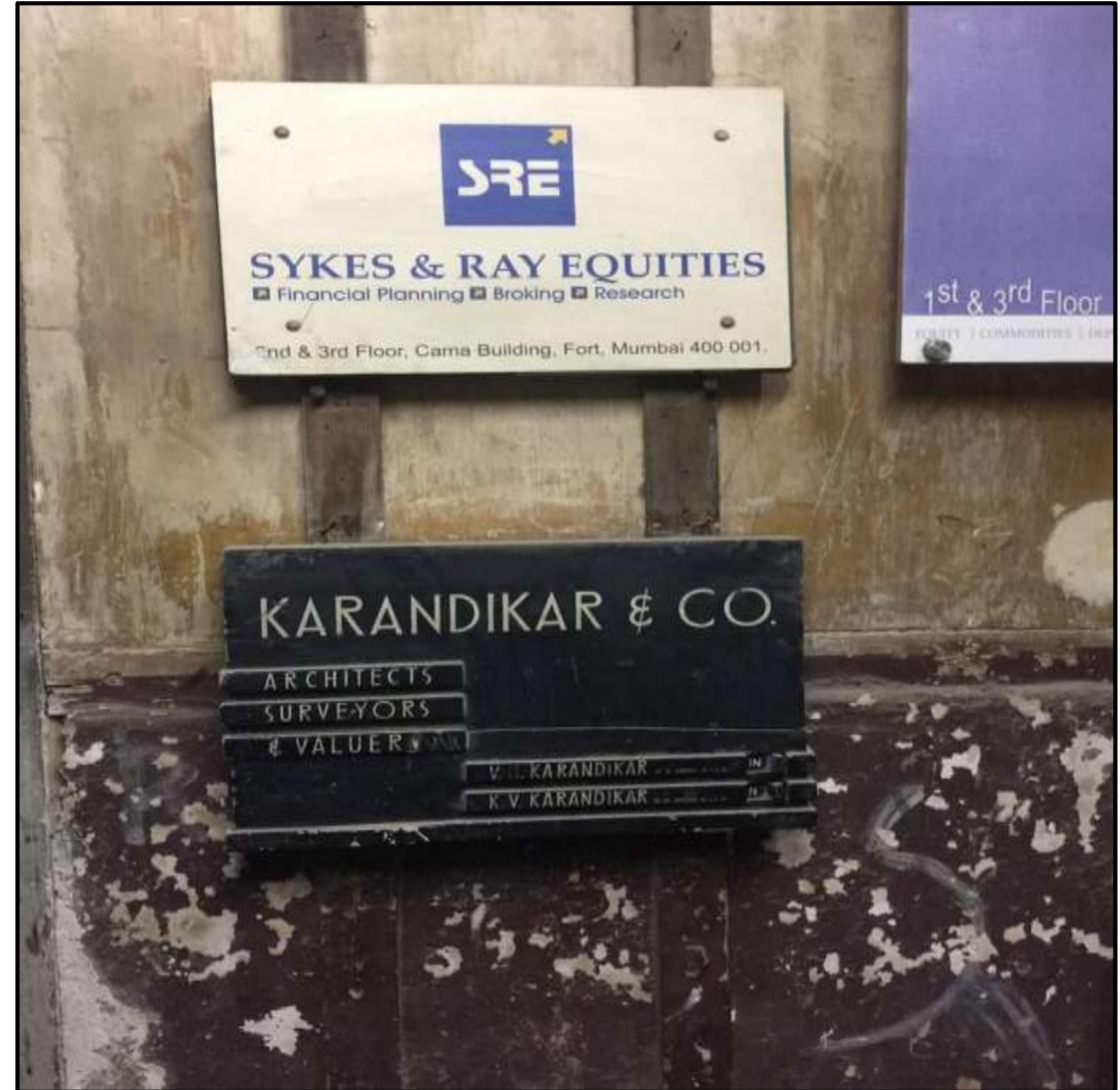
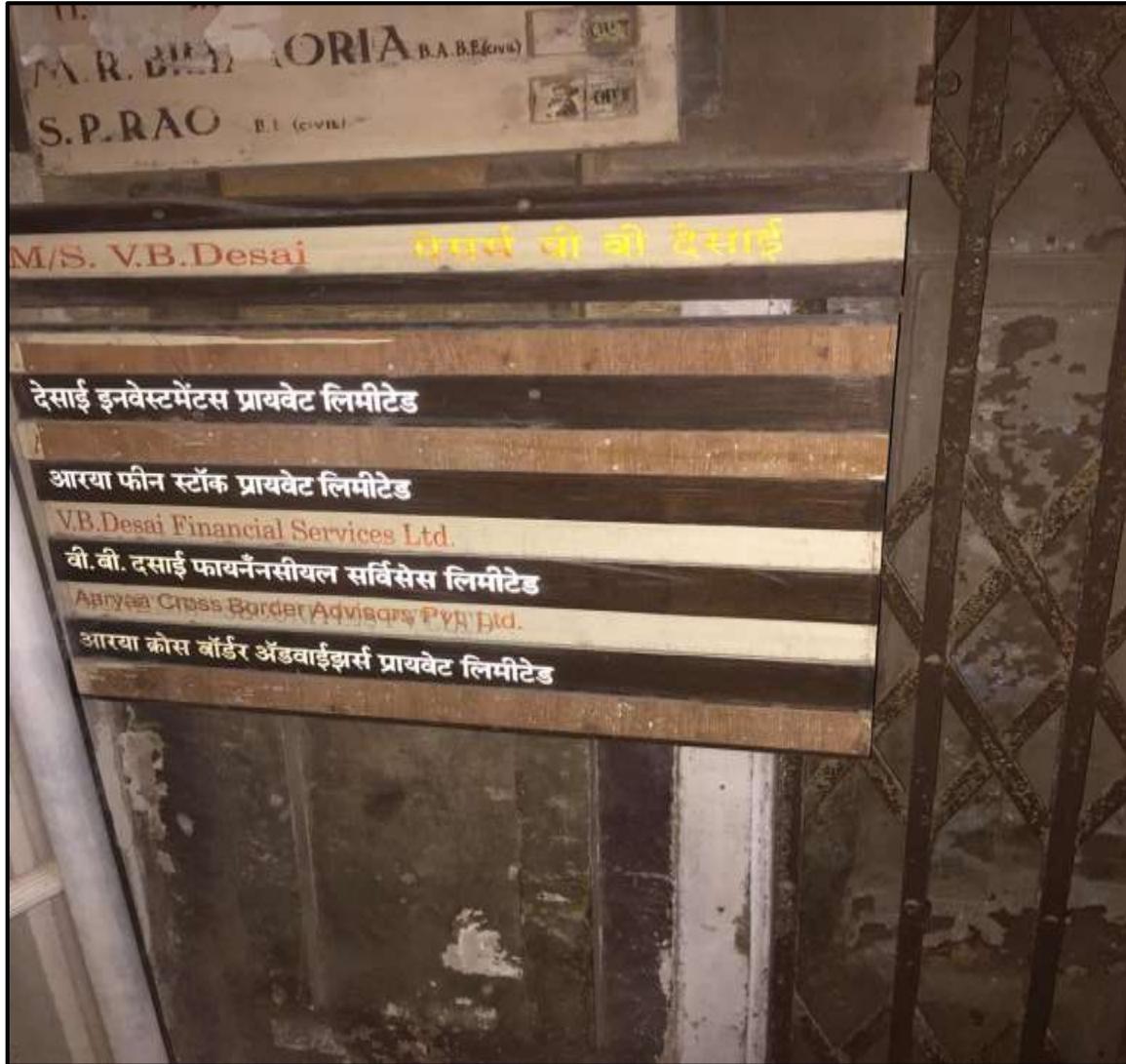
#	Name of the borrower	Loan Amount	Total dues	Registered address of borrowers
1	Neptune Steel Strips Limited	290.81	0.00	Cama Building,1st Floor ,Dalal Street, Fort, Mumbai, MH 400001,IN
2	Deep Industrial Finance Limited	265.20	0.00	
3	Pearl Housing Finance India Limited	265.20	0.00	
4	Traitrya Construction Finance Limited	265.20	0.00	
5	Vishvakarma Equipment Finance India Limited	265.20	0.00	

Observation:

- The source enquiry was performed on 20 November 2019.
- The Security Guard stationed at ground floor said that none of the above-mentioned entities existed at the premises
- However, on going through the name plate on the ground floor it was observed that there existed an entity named as V.B. Desai
- It was observed that all of the above- mentioned entities to whom the loans had been disbursed had their email addresses on MCA as vijaykar@vbdesai.com

4.8 PILE - Site visit (Contd.)

2. Cama Building, 1st Floor, Dalal Street, Fort, Mumbai, MH 400001 IN (Contd.)



4.8 PILE - Site visit (Contd.)

2. Cama Building, 1st Floor, Dalal Street, Fort, Mumbai, MH 400001 IN (Contd.)



4.8 PILE - Site visit (Contd.)

2. Cama Building, 1st Floor, Dalal Street, Fort, Mumbai, MH 400001 IN (Contd.)



4.8 PILE - Site visit (Contd.)

3. Site Visit at Raheja Point Wing B, 7th Floor, Nehru R Near Shamrao Vithal Bank, Vakola, Santacruz (East) Mumbai MH 400055 IN (INR in crores)

#	Name of the borrower	Loan Amount	Total Dues	Registered address of borrowers
1	Crest Logistics and Engineers private Limited NPA	1,076.90	286.90	Raheja Point Wing B, 7th Floor, Nehru R Near Shamrao Vithal Bank, Vakola, Santacruz (East) Mumbai MH 400055 IN and B / 702, Raheja Point 1, Pandit Jawaharlal Nehru Road, Vakola, Santacruz (East) Mumbai City MH 400055 IN
2	Skyline Global trade private Limited NPA	780.00	290.00	
3	Species Commerce and trade Private limited	435.50	253.14	
4	Hirma Power limited NPA	424.30	222.41	
5	Worldcom Solution Limited	353.03	353.03	
6	Summit Cemlnfra Private Limited NPA	350.00	300.00	
7	Tulip Advisors Private Limited NPA	297.95	297.95	
8	Aashish Power plant Equipment Private Limited NPA	185.00	185.00	

Observation:

- The source enquiry was performed on 08 December 2019
- Name plate was found on the 7th floor which says the address belongs to above mentioned borrowers along with 6 other companies. However, the office premise was closed with shutter half open and no one inside.
- It also appear from the site visit that the above mentioned companies (“Worldcom Solutions Limited”, “Hirma Power Limited”, “Summit Cemlnfra Private Limited” and “Tulip Advisors Private Limited”) do not exist at the given address.
- Apart from the above mentioned 5 entities, following other enterprises were also registered on the same address as per MCA records.
 - a) Creative Ashtech Power Projects Limited
 - b) Creative Ashtech Engineering Projects Private Limited
 - c) Creative Ashtech Energy Projects Private Limited
 - d) Creative Ashtech Utility Projects Private Limited
 - e) Shivani Power Plant Equipment private Limited
 - f) Jolly Power plant Equipment Private Limited

*Site visit was conducted on 6 December 2019

NPA - Non Performing Asset as on 31 October 2019

4.8 PILE - Site visit (Contd.)

3. Site Visit at Raheja Point Wing B, 7th Floor, Nehru R Near Shamrao Vithal Bank, Vakola, Santacruz (East) Mumbai MH 40055 IN (Contd.)



As per news article dated 24 July 2019*, it seems that 7th floor was registered in the name of Reliance Infrastructure Limited.

*<https://www.bloomberquint.com/bq-blue-exclusive/crest-logistics-mystery-firm-that-owes-anil-ambanis-loss-making-reliance-infra-rs-7000-crore>

4.8 PILE - Site visit (Contd.)

3. Site Visit at Raheja Point Wing B, 7th Floor, Nehru R Near Shamrao Vithal Bank, Vakola, Santacruz (East) Mumbai MH 400055 IN (Contd.)



Registered Office Address: B/702, Raheja Point 1, Pandit Jawaharlal Nehru Road, Vakola, Santacruz (E), Mumbai - 400 055	
नोंदणीकृत कार्यालय: बी/७०२, रहेजा पॉइंट १, पंडित जवाहरलाल नेहरु रोड, वाकोला, सांताक्रुझ (पू.), मुंबई - ४०० ०५५	
Space Trade Enterprises Private Limited स्पेस ट्रेड एंटरप्राइजेज प्रायव्हेट लिमिटेड CIN: U51909MH1996PTC099106 GST No. 27AACCE767K1ZP	Creative Ashtech Energy Projects Private Limited क्रिएटिव्ह अंशटेक एनर्जी प्रोजेक्ट्स प्रायव्हेट लिमिटेड CIN: U29260MH2009PTC193659
Skyline Global Trade Private Limited स्काईलाइन ग्लोबल ट्रेड प्रायव्हेट लिमिटेड CIN: U51900MH1996PTC099105 GST No. 27AACCE7830A1ZM	Creative Ashtech Utility Projects Private Limited क्रिएटिव्ह अंशटेक युटिलिटी प्रोजेक्ट्स प्रायव्हेट लिमिटेड CIN: U29255MH2009PTC193667
Species Commerce And Trade Private Limited स्पिशीज कॉमर्स अँड ट्रेड प्रायव्हेट लिमिटेड CIN: U65910MH17006PTC162605 GST No. 27AACCE4783A1Z7	Aashish Power Plant Equipment Private Limited आशिष पॉवर प्लांट इक्विपमेंट प्रायव्हेट लिमिटेड CIN: U29260MH2009PTC190194
Crest Logistics and Engineers Private Limited क्रेस्ट लॉजिस्टिक्स अँड इंजिनियर्स प्रायव्हेट लिमिटेड CIN: U45200MH2003PTC140946 GST No. 27AACCE7266A1ZM	Shivani Power Plant Equipment Private Limited शिवानी पॉवर प्लांट इक्विपमेंट प्रायव्हेट लिमिटेड CIN: U40109MH2009PTC190202
Creative Ashtech Power Projects Private Limited क्रिएटिव्ह अंशटेक पॉवर प्रोजेक्ट्स प्रायव्हेट लिमिटेड CIN: U29299MH2009PTC258419 GST No. 27AADCE0054F1Z2	Jolly Power Plant Equipment Private Limited जॉली पॉवर प्लांट इक्विपमेंट प्रायव्हेट लिमिटेड CIN: U29253MH2009PTC190197
Creative Ashtech Engineering Projects Private Limited क्रिएटिव्ह अंशटेक इंजिनियरिंग प्रोजेक्ट्स प्रायव्हेट लिमिटेड CIN: U29305MH2009PTC393664	

4.8 PILE - Site visit (Contd.)

4. Site Visit at 502, Plot No 91/94, Prabhat Colony Santa Cruz (East) Mumbai MH 400055 IN

(INR in crores)

#	Name of the borrower	Loan Amount	Total Dues	Registered address of borrowers
1	Jayamkondam Power limited	590.00	0.00	502, Plot No 91/94, Prabhat Colony Santa Cruz (East) Mumbai MH 400055 IN
2	Reliance Big Entertainment Private Limited	246.83	246.83	
3	RPL Solaris Power Private Limited NPA	188.00	188.00	

Observation:

- The source enquiry was performed on 07 December 2019.
- Name plate was found on the 5th floor which says the address belongs to Reliance Nippon Life Insurance Company Limited and Reliance Nippon Life Asset Management Limited
- None of the above mentioned companies were found at the given address.



*Site visit was conducted on 7 December 2019



Potential regulatory anomalies

4.9 Potential anomalies in compliance with Master Circular – Bank finance to NBFC

- According to para 5.1 of Reserve Bank of India Master Circular – Bank finance to NBFCs, the activities of extending loans and advances by NBFCs to their subsidiaries and group companies/entities are not eligible for bank credit.
- On review of the infusion of funds provided by the banks during the review period, it appears that the credit (term loan, secured debentures, commercial papers, etc.) worth INR 811.94 cores were potentially transferred to group companies through PILE.
- Summary of such transfers are provided below

(INR in crores)

#	Slide	Bank	Facility	Facility Amount	Potential transfer to	Amount transfer
1	45	IndusInd	Term Loan	500	Reliance Infrastructure Limited	254.70
2	47	Axis	Secured debenture	335	Reliance Infrastructure Limited	84.12
					Reliance Power Limited	250.00
3	50	HDFC	Commercial Paper	98.12	Reliance Infrastructure Limited	98.12
4	54	Yes	Commercial Paper	579.64	Reliance Infrastructure Limited	125.00
			Total	1,512.76		811.94

4.9 Potential anomalies in compliance with Master Circular – Bank finance to NBFC

Management response:

- Attention is invited to Section 45-IA of the Reserve Bank of India, 1934, which defines “subsidiaries” and “companies in the same group” means as under:
- “subsidiaries” and “companies in the same group” shall have the same meanings assigned to them in the Companies Act, 1956.
- During the review period of GT, the Company has not given any loans and advance to its subsidiary and group companies, as defined under Section 370(1B) of the Companies Act, 1956. However, the Company has deducted these exposures from the Net Owned Fund while computing CRAR as reported in the Audited Financial statements for the Financial Year 2018-19.

Note: Management response is reproduced in full as provided by the company.

4.9 Anomalies identified in calculation of CRAR (Capital Adequacy)

- As per note 57 of the annual report for FY 18-19, the Target Entity has advanced loans to 26 borrowers, in the ordinary course of business, which have undertaken onward lending transactions to companies that are identified as group companies by Reliance Capital Limited ('RCL'), as per the Core Investment Companies (Reserve Bank) Directions, 2016. RCL is the 100% shareholder of the Target Entity. Considering the end use of such loans, the Target has considered these loans as 'exposure to group companies' as a result of which its CRAR as on 31 March 2019 stood at -49.03% compared to +18.39% in previous financial year.
- It is pertinent to note that the Target Entity had disbursed wholesale loans worth INR 2,987.13 crores to 13 out of above mentioned 26 borrowers in FY 17-18. The Principal Outstanding ('POS') pertaining to 13 such borrowers as on 31 March 2018 was INR 1,114.13 crores. However, these loans were not considered as 'exposure to group companies' as on 31 March 2018 for CRAR calculations. Had the same been considered, the CRAR of the target entity may fallen below the regulatory norms of 15% as mandated by the Reserve Bank of India in its Master Directions. Details of all the loans advanced to such borrowers during FY 17-18 along with their total POS as on 31 March 2018 is presented below.

(INR in crores)

#	Name of the borrower	Loan disbursements (FY 17-18)	No. of loans	No. loans outstanding	POS (as on 31 Mar 2018)
1	Aashish Power Plant Equipment Private Limited	185.00	2	2	185.00
2	Crest Logistics And Engineers Private Limited	790.00	4	0	0.00
3	Gamesa Investment Management Private Limited	78.70	1	1	78.70
4	Hirma Power Limited	200.00	2	2	200.00
5	Indian Agri Services Private Limited	70.00	1	0	0.00
6	Kalai Power Private Limited	250.00	1	1	250.00
7	Kunjbihari Developers Private Limited	93.75	1	1	93.75
8	Mohanbir Hi Tech Build Private Limited	75.00	1	1	75.00
9	Reliance Cleangen Limited	461.68	4	4	231.68
10	Skyline Global Trade Private Limited	490.00	4	0	0.00
11	Species Commerce And Trade Private Limited	200.00	2	0	0.00
12	Summit Ceminfra Private Limited	50.00	1	0	0.00
13	Zapak Digital Entertainment Limited	43.00	1	0	0.00
	Total	2,987.13			1,114.13

4.9 Anomalies identified in calculation of CRAR (Capital Adequacy) (Contd.)

- Snapshots of Note 57 of Annual Report for FY 2018-19

57 During the current and previous financial year, the Company has given General Purpose Corporate Loan/Working Capital Term Loan to certain bodies corporate in the ordinary course of business. None of these loans constitute as transactions with related parties.

In few cases, the Company's borrowers have undertaken onward lending transactions to companies which are identified as Group Companies by Reliance Capital Limited (holding company) in terms of the Core Investment Companies (Reserve Bank) Directions, 2016.

Considering the end use of loans given, the Company has considered the below loans amounting to ₹ 4,799.55 crore, as 'Exposure to group companies' for the purpose of various regulatory disclosures. These loans are secured and in few cases its further guaranteed by the Group Companies.

(₹ in crore)

Sr. No	Party Name	Principal Outstanding as at March 31, 2019
1	Aashish Power Plant Equipment Private Limited	185.00
2	Accura Productions Private Limited	300.00
3	Adhar Project Management & Consultancy Private Limited	20.25
4	Celebrita Mediahouse Private Limited	90.00
5	Crest Logistics & Engineers Private Limited	286.90
6	Edrishti Movies Private Limited	125.00
7	Gamesa Investment Management Private Limited	30.70
8	Hirma Power Limited	222.41
9	Indian Agri Services Private Limited	95.00
10	Kalai Power Private Limited	260.80
11	Kunjihari Developers Private Limited	108.75
12	Medybiz Private Limited	118.00
13	Mohanbir Hi-Tech Build Private Limited	5.44
14	Nationwide Communication Private Limited	25.00
15	Reliance Big Entertainment Private Limited	246.83
16	Reliance Cleangen Limited	270.49
17	RPL Solaris Power Private Limited	188.00
18	RPL Aditya Power Private Limited	40.00
19	Skyline Global Trade Private Limited	290.00
20	Species Commerce & Trade Private Limited	235.50
21	Summit Ceminfra Private Limited	300.00

98

Reliance Commercial Finance Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2019

(₹ in crore)

Sr. No	Party Name	Principal Outstanding as at March 31, 2019
22	Thwink Big Content Private Limited	350.00
23	Tulip Advisors Private Limited	297.95
24	Vinayak Ventures Private Limited	54.50
25	Worldcom Solutions Limited	353.03
26	Zapak Digital Entertainment Limited	300.00
Total		4,799.55

58 Segment Reporting

The Company is mainly engaged in the commercial finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Ind AS 108 - "Operating Segments", in terms of Companies (Accounts) Rules, 2014.

59 Disclosures of Restructured Accounts as required by Annex IV of RBI Directions.

This is the notes to account referred to our report of even date

For and on behalf of the Board of Directors

For Shridhar & Associates
Chartered Accountants
Firm Registration No. : 134427W

Sushil Kumar Agrawal **Rashna Khan**
(Director) (Director)

Ajay Vastani
Partner
Membership No.: 132265

Dhananjay Tiwari **Sachin Bora**
(Executive Director) (Whole-time Director)

Mumbai
August 14, 2019

Sandeep Khosla **Ekta Thakurel**
(Chief Financial Officer) (Company Secretary)

4.9 Anomalies identified in calculation of CRAR (Capital Adequacy) (Contd.)

Management response:

- Pursuant to Para (xxxi) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 :
- “Tier I Capital” means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year;
- As explained earlier, companies in the same group means as defined under Section 370(1B) of the Companies Act, 1956, accordingly the exposure to 13 such borrowers, which are not covered under the definition of the 370(1-B) were not reduced in calculation of CRAR as on 31 March 2018.

Note: Management response is reproduced in full as provided by the company.

Loans advanced to other groups

5. Disbursement made to other entities with inadequate repayment capacity

Observation:

- It was observed that the Target Entity has disbursed wholesale loans to other entities which appear to have inadequate repayment capacity as per their financial records.
- A total of 11 loans aggregating to INR 1,395.18 cores were disbursed during our review period. Total dues from these entities as on 31 Oct 2019 aggregate to INR 1,124.90 crores.
- Further, out of these 11 loans, 4 loans disbursed to Golden Beach Infracon Private Limited and Wadhwan Holdings Private Limited was declared NPA as on 31 Oct 2019. Moreover, 2 loans out of above mentioned 11 loans were written off by the Target Entity as on 31 March 2019 worth INR 283 crores

(INR in crores)

#	LAN	Name of the borrower	Date of disbursement	Loan Amount	Total dues	Net worth	Revenue	Status
1	RLCSCOR000395943	SKIL Shipyard Holdings Private Limited	01 Jul 18	243.00	Written off	-225.20	0.00	Written off
2	RLWCCOR000338656	Golden Beach Infracon Private Limited	18 Apr 17	240.00	240.00	-1.93	0.00	NPA
3	RLCSCOR000366246	Perfect Spacecon Private Limited	31 Mar 18	224.00	224.00	-0.06	0.00	Not Due
4	RLCSCOR000366161	Sahyadri Food Processing Private Limited	31 Mar 18	195.00	195.00	-0.01	0.00	Not Due
5	RLCSCOR000366162	Goregaon Hotel and Realty Private Limited	31 Mar 18	120.98	120.98	-12.00	0.00	Not Due
6	RLWCCOR000339496	Wadhawan Holdings Private Limited	16 May 17	118.00	118.00	-422.40	16.56	NPA
7	RLWCCOR000337673	Wadhawan Holdings Private Limited	30 Mar 17	80.00	80.00	-422.40	16.56	NPA
8	RLCSCOR000453161	Katra Wilhelmsen Logistics Private Limited	01 Oct 18	72.20	84.11	-4.50	0.00	1-30 DPD
9	RLWCCOR000339495	Golden Beach Infracon Private Limited	16 May 17	57.00	57.00	-1.93	0.00	NPA
10	RLCSCOR000343986	SKIL Shipyard Holdings Private Limited	30 Sep 17	40.00	Written off	-225.20	0.00	Written off
11	RLCSCOR000435088	Goregaon Hotel and Realty Private Limited	07 Sep 18	5.00	5.00	-12.00	0.00	Not Due
		Total		1,395.18	1,124.09			

Note: The above analysis pertains to cases for which loan is outstanding as on 30 June 2019. Hence, we have not considered those cases where the loan amount has been recovered during our review period.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to SKIL Shipyard Holdings Private Limited

- During our review period, the Target entity has disbursed two loans of INR 40 crores and INR 243 crores on 30 September 2017 and 01 July 2018 to SKIL Shipyard Holdings Private Limited ('SKIL Shipyard') which is written off by the Target as on 31 March 2019.
- As per the latest available financial statements, it appears that the borrowing entity is not having any income from business operations, no fixed assets, minimal operating expenditure, negative net worth and was having accumulated losses. Most of the money borrowed appears to have been utilized towards other current and non current assets.
- Basis a public domain search it appears that SKIL Shipyard is a subsidiary company of SKIL Infrastructure Limited, a company from which Pipavav Shipyard Limited was bought by ADA Group, which was later rechristened as Reliance Naval and Engineering limited

(INR in crores)

Key areas of financial statement	18-19	17-18	16-17	15-16
Equity & Liabilities				
Shareholders fund	-271.85	-225.14	-210.82	-185.40
Long term borrowing	312.33	323.02	324.82	96.81
Short term borrowing	0.00	0.00	0.00	200.00
Other current liabilities, non current liability and trade payables	168.79	113.49	97.64	89.94
Assets				
Fixed assets	0.00	0.00	0.00	0.00
Non current investments	0.00	0.00	0.00	0.00
Cash & cash equivalents	0.17	2.14	2.60	2.19
Short term loans & advances	0.00	0.00	0.00	193.38
Other current & non current assets	209.10	209.24	209.04	5.79
Revenue				
Revenue from sale of goods or services	0.00	0.00	0.00	0.00
Other income	0.15	0.17	20.43	20.76
Expenses				
Operating Expenses	0.00	0.25	0.09	2.85
Finance cost	46.59	14.23	45.76	82.89
Net profit/loss	-46.70	-14.31	-25.43	-34.56

SKIL Shipyard	Details
Date of Incorporation	16 August 2005
Current Directors	1. Shekhar Gandhi 2. Rakesh Mohan 3. Ramanan 4. Bhavesh Gandhi
Address	Skil House 209 Bank Street Cross Lane Fort Mumbai 400023
Business area	Building of complete constructions, civil engineering
Email ID	Skil@skilgroup.co.in

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to SKIL Shipyard Holdings Private Limited

Snapshot of annual report of SKIL Infrastructure Limited showing SKIL Shipyard Holding Private Limited as subsidiary

philosophy as mentioned above, the Company is fully committed to explore and execute such opportunities and to create fair and enhanced value for all its share/stake holders.

Dividend

In view of losses incurred by the Company, your Directors do not recommend dividend for the financial year ended March 31, 2019.

Details of Subsidiaries, Associates & Joint Ventures

As on March 31, 2019, the Company has eight Subsidiary Companies including one foreign Subsidiary which are Gujarat-Dwarka Portwest Limited, Pipavav Electronic Warfare Systems Private Limited, Chiplun FTWZ Private Limited, SKIL-Himachal Infrastructure and Tourism Limited, SKIL Shipyard Holdings Private Limited, Metrotech Technology Park Pvt. Ltd., SKIL Advanced Systems Private Limited ('SASPL') and SKIL (Singapore) Pte. Ltd. There are two Associate Companies as on March 31, 2019, Rosoboronservice (India) Limited and Urban Infrastructure Holdings Private Limited. Sohar Free Zone LLC is the Joint Venture of the Company.

Out of the aforesaid Subsidiary Companies, during the year under review, Pipavav Electronic Warfare Systems Private Limited have submitted an application to the Registrar of Companies for striking-off its name under Fast Track Exit ('FTE') Mode and Chiplun FTWZ Private Limited obtained the status of Dormant Company under the Companies Act, 2013 ('Act'). As required under SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 ('SEBI Regulations'), Act and the applicable Accounting Standards, the Consolidated Financial Statements of the Company and its Subsidiary Companies, Joint Venture, Associate Company form part of this Annual Report. Un-Audited Financial Statements of SKIL (Singapore) Pte. Ltd., subsidiary of the Company, has been considered for the purpose of consolidation. However, the financial statements of Associate Companies were not available for consolidation.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited

- It was observed that the Target Entity has advanced a loan of INR 224.00 crores on 31 March 2018 to Perfect Spacecon Private Limited ('PSPL') which is due on 31 March 2020.
- The average rate of interest charged to wholesale borrowers is around 13.11%. However, the rate of interest charged for this loan facility was 9%. Similarly, the average loan tenure is around 14 months however, the tenure for this loan facility was of 24 months.
- A charge against current assets of INR 224 crores has been registered on MCA in favour of the Target Entity. However, as per the financial statements of PSPL available in the public domain, the value of current assets was INR 28,281 for FY 16-17 and INR 26,095 for FY 17-18.
- Details of current and past directors of the borrower is presented below.

		Current directors				Past directors				
		DIN	Name	Appointment date	Remarks	DIN	Name	Appointment date	Cessation date	Remarks
Perfect Spacecon Private Limited.	100% owned by	07917135	Imtiyaz Siddiqui	14 March 2018	Basis a public domain search, it appears that Imtiyaz Siddiqui has no online presence	00016839	Asif Balwa	16 May 2012	04 Dec 2017	Basis a public domain search, it appears that Mr. Asif Balwa is currently chief financial officer and is also the brother of Mr. Shahid Balwa director and promoter of DB Realty Limited
		02254751	Hifzurrehman kadiwal	14 Mar 2018	100% shareholder of the borrower	07931019	Arshad Balwa	16 Dec 2017	14 Mar 2018	Basis a public domain search, it appears that Mr. Arshad Balwa is the son of Mr. Shahid Balwa
Hifzurrehman kadiwal						00030453	Rajiv Agarwal	13 June 2008	31 Aug 2012	Basis a public domain search, it appears that Mr. Rajiv Agarwal is currently Chief Operating Officer at DB realty Limited.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited (Contd')

- As per the of latest available financial statements, it appears that the borrowing entity is not having any income from business operations, no fixed assets, minimal operating expenditure, negative net worth and was having accumulated losses. Most of the money borrowed appears to have been utilized towards long term loans and advances.
- PSPL is having a paid up capital of INR 0.01 crores and negative net worth of INR 0.06 crores as on 31 March 2018. The Target Entity has disbursed loans worth INR 224 crores which is 2240 times paid up capital of PSPL.
- Total dues against loan to PSPL as on 31 October 2019 is INR 224.00 crores.

(INR in crores)

Key areas of liabilities	17-18	16-17	15-16	14-15
Equity & Liabilities				
Shareholders fund	-0.06	-0.06	-0.01	-0.01
Long term borrowing	224.00	0.00	0.00	0.00
Other current liabilities, short term borrowing & trade payables	3.81	3.81	3.77	3.76
Assets				
Fixed assets	0.00	0.00	0.00	0.00
Long term loans and advances	227.75	3.75	3.75	3.75
Cash & cash equivalents	0.00	0.00	0.01	0.01
Revenue				
Revenue from sale of goods or services	0.00	0.00	0.00	0.00
Other operating revenue	0.00	0.00	0.00	0.00
Other income	0.00	0.00	0.00	0.00
Expenses				
Operating expenses	0.00	0.05	0.00	0.00
Net profit/loss	-0.001	-0.05	-0.001	-0.002

Shareholders	17-18	16-17
Mr. Hifzurrehman A. Kadiwal	100%	-
Mr. Shahid Balwa	-	100%

Perfect Spacecon Private Limited	Details
Date of Incorporation	08 December 2006
Address	DB Gen A.K. Vaidya Marg, Goregaon (East) Mumbai City MH 400063 IN
Common address with	D B Realty Limited
Business area	Real estate

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited (Contd')

Snapshot of public domain search of Rajiv Agarwal



CORPORATE INFORMATION

Board of Directors as on 31.03.2019

<p>Mr. Vinod Goenka (Chairman, Managing Director, Non-Independent Director)</p> <p>Mr. Shahid Balwa (Vice Chairman, Managing Director, Non-Independent Director)</p> <p>Mr. Jagat Killawala (Independent Director)</p> <p>Mr. N.M. Rafique (Independent Director)</p> <p>Ms. Sunita Goenka (Non-Independent Director)</p> <p>Mr. Mahesh Gandhi (Independent Director upto 27.03.2019)</p> <p>Ms. Maryam Khan (Independent Director)</p> <p>Mr. Salim Balwa (Non-Independent Director)</p> <p>Mr. Jayvardhan Goenka (Non-Independent Director upto 27.06.2019)</p> <p>Mr. Sundaram Rajagopal (Independent Director upto 27.05.2019)</p>	<p>Chief Financial Officer Mr. Asif Balwa</p> <p>Chief Operating Officer Mr. Rajiv Agarwal</p> <p>Company Secretary and Compliance Officer Mr. Jignesh Shah</p> <p>Statutory Auditors M/s. Haribhakti & Co. Chartered Accountants</p> <p>General Counsel M/s. Negandhi Shah & Himayatullah Advocates & Solicitors</p> <p>Registered Office: DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063 Tel: +91 22 4077 8600 Fax: +91 22 28422444 Website: www.dbrealty.co.in CIN: L70200MH2007PLC166818</p>
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5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited (Contd')

Snapshot of public domain search of Asif Balwa

D B REALTY LIMITED (ANNUAL REPORT 2018 - 19)

Annexure F

DISCLOSURE OF REMUNERATION DETAILS

- Ratio of the remuneration of each director to the median remuneration of the employees for the financial year- Not Applicable since no remuneration except sitting fees has been paid to Directors.
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

As stated above, no remuneration has been paid to Directors except sitting fees. The details about the percentage increase in remuneration of KMPs are as under:

Name of Key Managerial Personnel	Designation	% Increase in remuneration
Mr. Asif Balwa	Chief Financial Officer	Nil
Mr. Jignesh Shah	Company Secretary	Nil

Note- Mr. Asif Balwa, Chief Financial Officer was working on honorary basis without any remuneration.

- The percentage increase in the median remuneration of employees in the financial year: 15.14%
- Number of permanent employees on the rolls of the Company:
There were total 6 employees on the pay rolls of the Company as on March 31, 2019.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and Justification thereof and point out if there are any exceptional circumstances, for increase in the managerial remuneration:
The average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 15.14%. The percentage increase in the managerial remuneration was Nil.

Affirmation:

I, Vinod Goenka, Managing Director of D B Realty Limited hereby confirm that the remuneration paid during FY 2018-19 is as per the remuneration policy of the Company.

On behalf of the Board of Directors
For D B Realty Limited

Mumbai,
30th May, 2019

Vinod K. Goenka
Chairman & Managing Director
(DIN:00029033)

Shahid U. Balwa
Vice- Chairman & Managing Director
(DIN:00016839)

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited (Contd')

Snapshot of public domain search of Arshad Shahid Balwa

ARSHAD SHAHID BALWA

About ARSHAD SHAHID BALWA

Arshad Shahid Balwa is registered with Ministry of Corporate Affairs (MCA). Their DIN is 07931019. Following is their current and past directorship holdings.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited (Contd')

Snapshot of MGT-7 of Perfect Spacecon Private Limited

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
Hifzurrehman Kadiwal	02254751	Additional director	995	
Imtiyaz Siddiqui	07917135	Additional director	5	

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Perfect Spacecon Private Limited (Contd')

Snapshot of MGT-7 for FY 16-17 of Perfect Spacecon Private Limited

A. Promoter	0	1	0	1	0	99.5
B. Non-Promoter	0	1	0	1	0	0
(i) Non-Independent	0	1	0	1	0	0
(ii) Independent	0	0	0	0	0	0
C. Nominee Directors representing	0	0	0	0	0	0
(i) Banks & FIs	0	0	0	0	0	0
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0
Total	0	2	0	2	0	99.5

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
Shahid Balwa	00016839	Director	995	
Fayyaz Shaikh	02290355	Director	0	

(ii) Particulars of change in director(s) and Key managerial personnel during the year

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment/ change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)

IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS

Number of meetings held

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Sahyadri Food Processing Private Limited

- It was observed that the Target Entity has advanced a loan of INR 195 crores on 31 March 2018 to Sahyadri Food Processing Private Limited ('SFPPL'), which is due on 31 March 2020.
- The average rate of interest charged to wholesale borrowers is around 13.11%. However, the rate of interest charged for this loan facility was 9%. Similarly, the average loan tenure is around 14 months however, the tenure for this loan facility was of 24 months.
- Details of current and past directors of the borrower is presented below.

Perfect Spacecon Private Limited.		Current directors			Past directors					
100% owned by		DIN	Name	Appointment date	Remarks	DIN	Name	Appointment date	Cessation date	Remarks
		Hifzurrehman kadiwal		02099862	Satish Agarwal	02 Dec 2013	Basis a public domain search it appears that Mr. Satish Agarwal was ex-accountant of DB Realty Limited	00017934	Asif Balwa	13 June 2008
		02269533	Suresh Singh	14 Mar 2018	Basis a public domain search, it appears that Suresh Singh has no online presence	02290355	Fayyaz Ahmed	02 Dec 2013	15 Nov 2016	Basis a public domain search, it appears that Mr. Fayyaz Ahmed is a director in many subsidiary companies of DB Realty Limited
						00030453	Rajiv Agarwal	13 June 2008	4 Dec 2013	Basis a public domain search, it appears that Mr. Rajiv Agarwal is Chief Operating Officer at D B Realty Limited

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Sahyadri Food Processing Private Limited (Contd')

- As per the of latest available financial statements, it appears that the borrowing entity is not having any income from business operations, no fixed assets, no operating expenditure, negative net worth and was having accumulated losses. Most of the money borrowed appears to have been utilized towards long term and short term loans and advances.
- SFPPL is having a paid up capital of INR 0.01 crores and negative net worth of INR 0.01 crores as on 31 March 2018. The Target Entity has disbursed loans worth INR 195 crores which is 19,500 times paid up capital of SFPPL
- Based on information available in public domain it appears that SFPPL has not filed its annual return with ROC for FY 18-19 as on 1 December 2019.

(INR in crores)

Key areas of liabilities	17-18	16-17	15-16	14-15
Equity & Liabilities				
Shareholders fund	-0.01	-0.01	-0.01	-0.01
Long term borrowing	205.01	10.01	10.01	10.01
Trade Payables & other current liabilities	0.88	0.88	0.88	0.88
Assets				
Long Term Loans & Advances	10.00	10.00	10.00	10.00
Fixed assets	0.00	0.00	0.00	0.00
Cash & cash equivalents	0.00	0.00	0.00	0.00
Short term loans & advances	195.88	0.88	0.88	0.88
Revenue				
Revenue from sale of goods or services	0.00	0.00	0.00	0.00
Other operating revenue	0.00	0.00	0.00	0.00
Other income	0.00	0.00	0.00	0.00
Expenses				
Other expenses	0.00	0.00	0.00	0.00
Net profit/loss	-0.0012	-0.0014	-0.0011	-0.0020

Shareholders	17-18	16-17
Mr. Hifzurrehman A. Kadiwal	100%	-
Mr. Asif Balwa	-	50%
Mr. Rajiv Agarwal	-	50%

Sahyadri Food Processing Private Limited	Details
Date of Incorporation	19 December 2006
Address	DB Gen A.K. Vaidya Marg, Goregaon (East) Mumbai City MH 400063 IN
Common address with	D B Realty Limited
Business area	Real estate

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Sahyadri Food Processing Private Limited (Contd')

Snapshot of public domain search of Asif Balwa

New Delhi: The Central Bureau of Investigation (CBI) arrested Asif Balwa, the brother of Swan Telecom promoter Shahid Balwa, in connection with the 2G spectrum scam today. (Read: Who is Shahid Balwa?)

Swan Telecom is one of the beneficiaries of the 2G scam and is alleged to be a front company for Anil Ambani owned Reliance Communications. Shahid Balwa is already in custody in connection with the case. He was arrested by the CBI on February 8.

Along with Asif Balwa, the CBI has also arrested another person, Rajiv Agarwal, today.

Snapshot of public domain search of Fayyaz Ahmad

02290355 FAYYAZ AHMED PEER MOHAMMED SHAIKH Director 09 September 2016 View other directorships

Other Companies Associated with

Company	Designation	Appointment Date
HORIZONTAL DEVELOPERS LLP	Designated Partner	07 October 2014
HORIZONTAL DEVELOPERS PRIVATE LIMITED	Additional Director	02 December 2013
SLS ENERGY PRIVATE LIMITED	Director	12 January 2016
DB PROJECTS PRIVATE LIMITED	Director	12 February 2016
VERTICLE INFRACON PRIVATE LIMITED	Director	02 December 2013
DB TELE WIMAX PRIVATE LIMITED	Director	23 November 2013
M J ESTATES PRIVATE LIMITED	Director	09 September 2016
AIM PROPERTIES AND INVESTMENTS LLP	Nominee-Body Corp Partner	28 October 2014
P G DEVELOPERS PRIVATE LIMITED	Director	09 September 2016
DYNAMIX BALWAS REALTY VENTURES PRIVATE LIMITED	Director	09 September 2016
DB VIEW INFRACON PRIVATE LIMITED	Additional Director	16 May 2017
YJ REALTY AND AVIATION PRIVATE LIMITED	Director	30 December 2015
MARINE DRIVE HOSPITALITY & REALTY PRIVATE LIMITED	Director	06 March 2018

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Sahyadri Food Processing Private Limited (Contd')

Snapshot of MGT-7 for FY 2016-17 consisting of shareholders details

SAHYADRI FOOD PROCESSING PRIVATE LIMITED
 Regd. Office: DB House, Gen. A.K.Vaidya Marg, Goregaon (East), Mumbai-400 063
 Tel: 91-22-40778600* Fax No. 91-22-28415550/28421667
 CIN: U01119MH2006PTC166331

LIST OF SHAREHOLDERS AS ON 31.03.2017

A) EQUITY

Folio No.	Name of Shareholder	No. of Shares	Face Value	%
3	Mr. Rajiv Agarwal	500	100	50.00
4	Mr. Asif Balwa	500	100	50.00
	Total :	1000	100	100.00

B) DEBENTURES: NIL

For Sahyadri Food Processing Private Limited

Director

Name: Satish Agarwal

DiN: 02099862

Address: 213, Dhiraj Uphar Society,
 Behind Dindoshi Bus Depot,
 Malad (East), Mumbai – 400097

Place: Mumbai

Date: 23/10/2017

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Sahyadri Food Processing Private Limited (Contd')

Snapshot of public domain search of Satish Agarwal

Satish Agarwal, an accountant of DB Realty Ltd, has submitted that such heavy transactions like Rs 200 crore, which was routed to Kalingnar TV, were made only on the instructions of Goenka and Balwa, the Director and MD respectively of DB Realty.

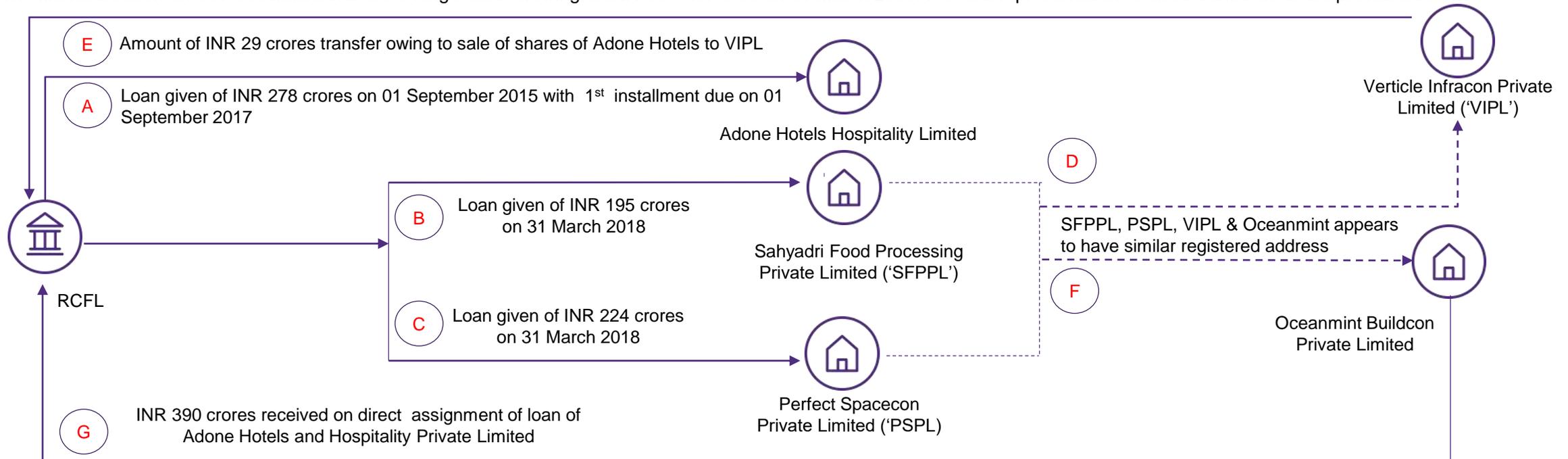
Agarwal, who has been made as one of the witnesses in the case, has submitted how the financial transaction from various DB group companies was taking place on their instruction.

The accountant has given the money trail from Dynamix Realty, one of the many companies in the DB Group, which had from December 12, 2008 to August 11, 2009 extended unsecured loan of Rs 209.25 cr to Kusegaon Fruits & Vegetables Pvt Ltd which moved to Cineyug Pvt Ltd and ultimately to Kalaingar TV as illegal gratification for the grant of UAS licenses.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.

- On 01 September 2015 the Target Entity extended a wholesale loan to Adone Hotels and Hospitality Private Limited ('Adone Hotels') amounting to INR 278 crores. Subsequently, on 31 March 2018 two wholesale loans were advanced to Perfect Spacecon Private Limited ('PSPL') and Sayadri Food Processing Private Limited ('SFPPL') of INR 224 crores and INR 195 crores respectively. As per the financials of PSPL and SFPPL, it appears that Mr. Hifzurrehman A Kadiwal is a 100% shareholder.
- On 31 March 2018 the Target Entity sold shares of Adone Hotels, which were pledged to the Target while extending loan on 01 September 2015, for a consideration of INR 29 crores to Verticle Infracon Private Limited ('VIPL'). Basis a public domain search the registered address of VIPL was found to be similar as that of PSPL and SFPPL (DB House, Gen A.K. Vaidya Marg, Goregaon (East) Mumbai). On 31 March 2018 the Target Entity executed an agreement with Oceanmint Buildcon Private Limited ('Oceanmint') for assignment of loan of Adone Hotels for a sale consideration of INR 390 crores. The registered address of Oceanmint was similar to as that of VIPL, PSPL & SFPPL (DB House, Gen A.K. Vaidya Marg, Goregaon (East) Mumbai). It is pertinent to note that Ms. Jessie Kuruvilla who is currently director at Oceanmint, basis a public domain search appears to be current VP of sales at DB Realty Limited. Past directors of Oceanmint and VIPL are current directors and promoters of DB Realty
- It appears that the proceeds from the loan disbursed to PSPL and SFPPL were potentially used to purchase loan of Adone Hotels by Oceanmint and purchase of share of Adone Hotels by VIPL. The financial statements of Oceanmint indicate a long term borrowing of INR 390 crores as on 31 March 2018. Pictorial representation of these transactions are provided below.



5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.
 Snapshot of public domain search showing registered address of Oceanmint Buildcon Private Limited

OCEANMINT BUILDCON PRIVATE LIMITED

As on: November 17, 2019

Track this company



Basic Information



Documents



Trademarks



Directors



Map

Oceanmint Buildcon Private Limited is a Private incorporated on 14 September 2012. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 100,000 and its paid up capital is Rs. 100,000. It is involved in Building installation [These activities are usually performed at the site of construction, although parts of the job may be carried out in a special shop. Repair of installations are also included in the corresponding sub-classes.]

Oceanmint Buildcon Private Limited's Annual General Meeting (AGM) was last held on 30 September 2019 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2019.

Directors of Oceanmint Buildcon Private Limited are Jessie Kuruvilla, Abubakar Miyazi Seliya, .

Oceanmint Buildcon Private Limited's Corporate Identification Number is (CIN) U45309MH2012PTC235778 and its registration number is 235778. Its Email address is rocsecpmt@gmail.com and its registered address is DB HOUSE, GEN. A. K. VAIDYA MARG, GOREGAON (EAST), MUMBAI Mumbai City MH 400063 IN , - , .

Current status of Oceanmint Buildcon Private Limited is - Active.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.
Snapshot of AOC-4 of Oceanmint Buildcon Private Limited showing 390 crores as long term loans and advances

2. (a) Name of the company	OCEANMINT BUILDCON PRIVATE LIMITED
(b) Address of the registered office of the company	DB HOUSE, GEN. A. K. VAIDYA MARG, GOREGAON (EAST), MUMBAI Mumbai City Maharashtra
(c) *e-mail ID of the company	rocsecpmt@gmail.com
(iii) Location of the service provider	
(iv) Whether books of account and other books and papers are maintained on cloud	<input type="radio"/> Yes <input type="radio"/> No
Address as provided by the service provider	

I. Balance Sheet		Part-B		
Particulars	Figures as at the end of (Current reporting period) (in Rs.)		Figures as at the end of (Previous reporting period) (in Rs.)	
	31/03/2019	(DD/MM/YYYY)	31/03/2018	(DD/MM/YYYY)
I. EQUITY AND LIABILITIES				
(1) Shareholder's Fund				
(a) Share capital	100,000.00		100,000.00	
(b) Reserves and surplus	-84,298.00		-56,694.00	
(c) Money received against share warrants	0.00		0.00	
(2) Share application money pending allotment	0.00		0.00	
(3) Non-current liabilities				
(a) Long term borrowings	3,900,000,000.00		3,900,000,000.00	
(b) Deferred tax liabilities (net)	0.00		0.00	
(c) Other long term liabilities	0.00		0.00	
(d) Long term provisions	0.00		0.00	
(4) Current liabilities				
(a) Short term borrowings	0.00		0.00	
(b) Trade payables	5,900.00		5,900.00	
(c) Other current liabilities	0.00		0.00	
(d) Short term provisions	0.00		0.00	
Total	3,900,021,602.00		3,900,049,206.00	
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i) Tangible assets	0.00		0.00	
(ii) Intangible assets	0.00		0.00	
(iii) Capital work-in-progress	0.00		0.00	
(iv) Intangible assets under development	0.00		0.00	
(b) Non-current Investments	0.00		0.00	
(c) Deferred tax assets (net)	0.00		0.00	
(d) Long term loans and advances	3,900,000,000.00		3,900,000,000.00	
(e) Other non-current assets	0.00		0.00	
(2) Current assets				
(a) Current Investment	0.00		0.00	
(b) Inventories	0.00		0.00	
(c) Trade receivables	0.00		0.00	
(d) Cash and cash equivalents	21,602.00		49,206.00	
(e) Short term loans and advances	0.00		0.00	
(f) Other current assets	0.00		0.00	
Total	3,900,021,602.00		3,900,049,206.00	

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.
 Snapshot of public domain search showing registered address of Verticle Infracon Private Limited

VERTICLE INFRACON PRIVATE LIMITED

As on: August 6, 2019 Track this company

 [Basic Information](#)

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 [Directors](#)

 [Map](#)

Verticle Infracon Private Limited is a Private incorporated on 28 September 2010. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 100,000 and its paid up capital is Rs. 100,000. It is involved in Building installation [These activities are usually performed at the site of construction, although parts of the job may be carried out in a special shop. Repair of installations are also included in the corresponding sub-classes.]

Verticle Infracon Private Limited's Annual General Meeting (AGM) was last held on 29 September 2018 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2018.

Directors of Verticle Infracon Private Limited are Jesing Govind Khuman, Fayyaz Ahmed Peer Mohammed Shaikh, .

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Verticle Infracon Private Limited's Corporate Identification Number is (CIN) U45309MH2010PTC208350 and its registration number is 208350. Its Email address is rocsecpmt@gmail.com and its registered address is DB HOUSE, GEN. A. K. VAIDYA MARG, GOREGAON (EAST), MUMBAI MH 400063 IN , - , ,

Current status of Verticle Infracon Private Limited is - Active.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.

Snapshot of public domain search showing registered address of Sahyadri Food Processing Private Limited

SAHYADRI ERECTORS PRIVATE LIMITED

As on: August 6, 2019

Track this company



Basic Information



Documents



Trademarks



Directors



Map

Sahyadri Erectors Private Limited is a Private incorporated on 19 December 2006. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 500,000 and its paid up capital is Rs. 100,000. It is involved in Real estate activities with own or leased property. [This class includes buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into lots etc. Also included are development and sale of land and cemetery lots, operating of apartment hotels and residential mobile home sites.(Development on own account involving construction is classified in class 4520).]

Sahyadri Erectors Private Limited's Annual General Meeting (AGM) was last held on 29 September 2018 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2018.

Directors of Sahyadri Erectors Private Limited are Satish Agarwal, Suresh Shambhu Singh, .

Sahyadri Erectors Private Limited's Corporate Identification Number is (CIN) U70100MH2006PTC166331 and its registration number is 166331. Its Email address is rocsecpmt@gmail.com and its registered address is DB HOUSE, GEN. A. K. VAIDYA MARG, GOREGAON (EAST), MUMBAI MH 400063 IN , - , .

Current status of Sahyadri Erectors Private Limited is - Active.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.

Snapshot of public domain search showing registered address of Perfect Spacecon Private Limited

PERFECT SPACECON PRIVATE LIMITED

As on: August 5, 2019

Track this company



Basic Information



Documents



Trademarks



Directors



Map

Perfect Spacecon Private Limited is a Private incorporated on 08 December 2006. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 500,000 and its paid up capital is Rs. 100,000. It is involved in Building of complete constructions or parts thereof; civil engineering

Perfect Spacecon Private Limited's Annual General Meeting (AGM) was last held on 29 September 2018 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2018.

Directors of Perfect Spacecon Private Limited are Imtiyaz Javed Siddiqui, Hifzurrehman Kadiwal Abdullah;

Perfect Spacecon Private Limited's Corporate Identification Number is (CIN) U45209MH2006PTC166097 and its registration number is 166097. Its Email address is rocsecpmt@gmail.com and its registered address is DB HOUSE, GEN. A. K. VAIDYA MARG, GOREGAON (EAST), MUMBAI MH 400063 IN

Current status of Perfect Spacecon Private Limited is - Active.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.

Snapshot of public domain search showing registered address of Perfect Spacecon Private Limited

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has nearly 15 years of experience in the industry, of which the past 13 years in financial services, specializing in real estate. Before joining Dynamix Group, he has worked with Kotak Mahindra Bank and Anand Rathi Financial Services where his experience spanned from real estate research, to fund raising and also running a rent yielding fund. Samar has been consistently ranked amongst the best real estate investment

Dynamix Group. He has been with the group for the past 24 years, having executed projects spread over more than 10 million square feet in his tenure. He has remained at the forefront of all technical operations for the liaising and construction of all the projects of the Dynamix Group. Today, Mr. Shastri heads the engineering, implementation and liaising functions within the Group.

Animesh Das
Senior Vice President Sales

Animesh Das is the Senior Vice President Sales at the Dynamix Group, heading Sales, Marketing & Customer Relationship Management. After completing his Masters in Mathematics as well as an MBA, he started his career with office automation and then moved into retail and telecom industries before getting into real estate. Before joining the organization, he had garnered over a decade of experience in real estate and worked successfully on numbers of renowned projects with some of

Jessie Kuruvilla
Vice President – Sales

Ms. Jessie Kuruvilla is an accomplished Real Estate Professional with over 3 decades experience with the Dynamix Group. Currently Vice President – Sales at the Dynamix Group where she is overseeing Sales, Marketing and Customer Relationship Management. Jessie has led the sales function for the Group and has been instrumental in selling some of its best known developments, including Gokuldham, Yashodham, Mahavir Nagar, Upper Govind Nagar, and Aldeia de Goa.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.

Snapshot of public domain search showing director details of Oceanmint Buildcon Private Limited

OCEANMINT BUILDCON PRIVATE LIMITED				
As on: November 17, 2019			Track this company	
Director Details				
DIN	Director Name	Designation	Appointment Date	
02290242	JESSIE KURUVILLA	Director	10 October 2018	View other directorships
03011183	ABUBAKAR MIYAZI SELIYA	Director	14 March 2018	View other directorships
Past Director Details				
DIN	Director Name	Appointment Date	Cessation Date	
00017934	ASIF YUSUF BALWA	04 March 2013	04 December 2013	View other directorships
02269464	SURESH CHINNAIAH ATKUR	02 December 2013	10 October 2018	View other directorships
00030453	RAJIV AGARWAL	04 March 2013	04 December 2013	View other directorships
05327343	MUKESH RAMAKANT CHULATE	14 September 2012	04 March 2013	View other directorships
05343434	MUKESH KUMAR	14 September 2012	09 March 2013	View other directorships
05350198	EBRAHIM ISHAQ BALWA	02 December 2013	14 March 2018	View other directorships

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Potential anomalies in end use of wholesale loans disbursed to Perfect Spacecon Pvt. Ltd. and Sahyadri Food Pvt. Ltd.
 Snapshot of public domain search showing director details of Vertical infracon Private Limited

VERTICLE INFRACON PRIVATE LIMITED

As on: August 6, 2019 Track this company

 [Basic Information](#)

 [Documents](#)

 [Trademarks](#)

 [Directors](#)

 [Map](#)

Verticle Infracon Private Limited is a Private incorporated on 28 September 2010. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 100,000 and its paid up capital is Rs. 100,000. It is involved in Building installation [These activities are usually performed at the site of construction, although parts of the job may be carried out in a special shop. Repair of installations are also included in the corresponding sub-classes.]

Director Details

DIN	Director Name	Designation	Appointment Date	
02268860	JESING GOVIND KHUMAN	Director	15 May 2018	View other directorships
02290355	FAYYAZ AHMED PEER MOHAMMED SHAIKH	Director	02 December 2013	View other directorships

Past Director Details

DIN	Director Name	Appointment Date	Cessation Date	
00380933	INDER MOHAN MALIK	26 October 2010	12 December 2011	View other directorships
00017934	ASIF YUSUF BALWA	28 September 2010	04 December 2013	View other directorships
00380893	NEEL PRABHA ZINTA	26 October 2010	12 December 2011	View other directorships
02269464	SURESH CHINNAIAH ATKUR	02 December 2013	15 May 2018	View other directorships
00030453	RAJIV AGARWAL	28 September 2010	04 December 2013	View other directorships

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Goregaon Hotel and Realty Private Limited

- During our review period, the Target Entity has disbursed two loans of INR 120.98 crore and INR 5.00 crores on 31 March 2018 and 05 September 2018 respectively to Goregaon Hotel and Realty Private Limited ('Goregaon Hotel') a wholly owned subsidiary of DB Realty Limited.
- As per the of latest available financial statements, it appears that the borrowing entity is not having any income from business operations, no fixed assets, no operating expenditure, negative net worth and was having accumulated losses. Most of the money borrowed appears to have been utilized towards purchase of inventories (construction in progress).
- Total cumulative dues against loans to Goregaon Hotel as on 31 October 2019 is INR 125.98 crores.

(INR in crores)

Key areas of financial statement	17-18	16-17	15-16	14-15
Equity & Liabilities				
Shareholders fund	-12.00	-9.40	-8.41	-8.18
Long term borrowing	120.98	56.86	1.25	0.00
Short term borrowings	0.00	27.67	65.11	60.25
Other current liabilities, trade payables & provisions	13.84	17.29	10.26	9.03
Assets				
Non current investments	0.81	0.71	0.71	0.00
Inventories (construction in progress)	99.76	83.39	66.77	0.00
Cash & cash equivalents	0.00	0.48	0.51	0.00
Total fixed assets	0.02	0.02	0.02	0.00
Other current assets, loans and advances, deferred tax assets	22.23	7.83	0.19	61.10
Revenue				
Revenue from sale of goods or services	0.00	0.00	0.00	0.00
Other income	0.28	0.07	0.006	1.09
Expenses				
Operating expenditure	0.00	0.00	0.00	0.00
Finance cost	2.45	0.71	0.81	7.84
Other expenses (Details not disclosed in financials)	16.81	16.96	6.89	0.09
Net profit/loss	-2.61	-0.99	-0.86	-6.84

Goregaon Hotels	Details
Date of Incorporation	19 June 2012
Current Directors	1. Nabil Yusuf Patel 2. Jessie Kuruvilla
Address	DB House Gen.A.K.Vaidya Marg,Goregaon (East) Mumbai-40063
Business area	Restaurants, bars and canteens

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Wadhawan Holdings Private Limited

- It was observed that the Target Entity has advanced a loan of INR 118.00 and INR 80.00 crores on 16 May 2017 and 30 Mar 2017 to Wadhawan Holding Private Limited ('WHPL'), a company in which members of Wadhawan family directly own approx. 2.5% paid up share capital and indirectly own 100% of paid up share capital. Total dues against this loan as on 31 Oct 2019 was INR 198.00 crores.
- WHPL is having a paid-up capital of INR 3.28 crores and negative net worth of INR 422.42 crores as on 31 March 2018. The Target Entity has disbursed loans worth INR 198 crores which is 12 times the revenue from business operations of WHPL.
- It is pertinent to note that the borrower has been classified as NPA as on 31 October 2019 by the target entity. Details of current and past directors of the borrower is presented below.

Current directors					Past directors				
DIN	Name	Appointment date	Remarks	DIN	Name	Appointment date	Cessation date	Remarks	
07017236	Ashwini Kumar Chaturvedi	16 March 2015	Basis a public domain search it appears that Ashwini Kumar Chaturvedi is Sr. Executive - Credit Appraisal at DHFL, the financial services arm of Wadhawan group.	00028528	Kapil Wadhwan	22 April 2002	16 March 2015	Former chairman & MD of DHFL	
07011862	Yellaiya Kistaiya Tumma	12 April 2018	Basis a public domain search it appears that Yellaiya Kistaiya Tumma is Asst. Manager – F&A at WHPL	00096026	Dheeraj Wadhawan	10 Dec 2007	16 March 2015	Former non- executive director of DHFL	
				03031999	Placid Jacob Naronha	02 Aug 2017	01 Sep 2017	Basis a public domain search it appears that Placid Jacob Naronha is AVP at Dheeraj Realty, the real estate arm of Wadhawan group.	
				00230202	Bhagwat Swarup Sharma	24 Jan 2008	01 Sep 2017	Basis a public domain search it appears that Bhagwat Swarup Sharma is also a director in DHFL Ventures trustee Company Private Limited, in which Kapil Wadhawan was also a director till 25 May 2017	

Wadhawan Holding Private Limited

↓

2.5% directly and potentially 100% indirectly controlled by (as on 31 March 2018)

1. Kapil Wadhawan
2. Dheeraj Wadhawan
3. Aruna Wadhawan

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Wadhawan Holdings Private Limited (Contd.)

- As per the latest available financial statements, it appears that the borrowing entity is having negative net worth and accumulated losses. Most of the money borrowed appears to have been utilized towards investment in unquoted shares, advancing of inter corporate deposits and in other current assets, the break-up for which was not provided in the financial statements.
- Based on information available in public domain, it appears that WHPL has not filed its annual return with ROC for FY 18-19 as on 1 Dec 2019.

(INR in crores)

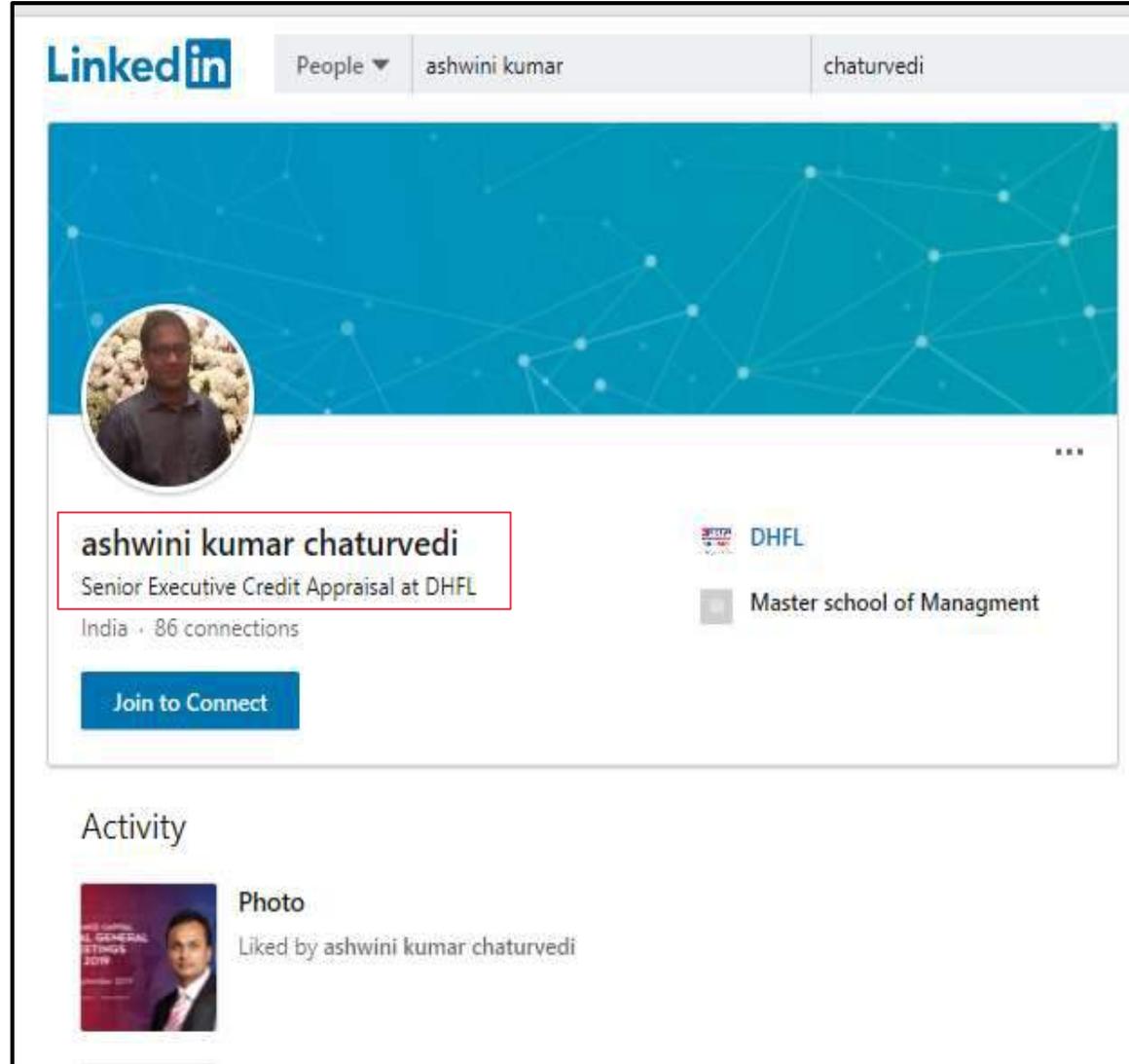
Key areas of financial statement	17-18	16-17	15-16	14-15
Equity & Liabilities				
Shareholders fund	-422.43	-375.10	184.04	205.09
Long term borrowing	1232.22	1137.73	708.29	1027.80
Other current liabilities, short term borrowing & provisions	544.26	1052.95	762.02	710.24
Assets				
Non current investment (Majorly investment in unquoted shares of group companies)	296.66	639.24	1023.21	1373.39
Long/short term loans & advances (Majorly Inter corporate deposit)	546.76	456.13	315.53	325.26
Other current assets (Break-up not disclosed)	387.76	604.50	156.97	58.67
Fixed assets	101.02	109.94	135.74	141.82
Cash & cash equivalent	19.30	1.38	2.04	3.04
Revenue				
Revenue from sale of goods or services	16.56	15.12	28.01	34.67
Other operating revenue	0.00	0.00	0.00	0.00
Other Income	102.23	-404.77	21.98	15.42
Expenses				
Employee benefit	6.00	5.85	5.60	5.46
Finance cost	27.04	5.57	5.76	6.32
Other expenses	133.07	33.72	52.15	50.46
Net profit/loss	-47.32	-434.78	-13.52	-12.15

Wadhawan Holdings Pvt. Ltd.	Details
Date of Incorporation	22 April 2002
Current Directors	1. Ashwini Kumar Chaturvedi 2. Yellaiya kistaiya Tumma
Address	4th Floor, HDIL Towers, Anant Kanekar Marg, Bandra - East Mumbai
Business area	Real Estate

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

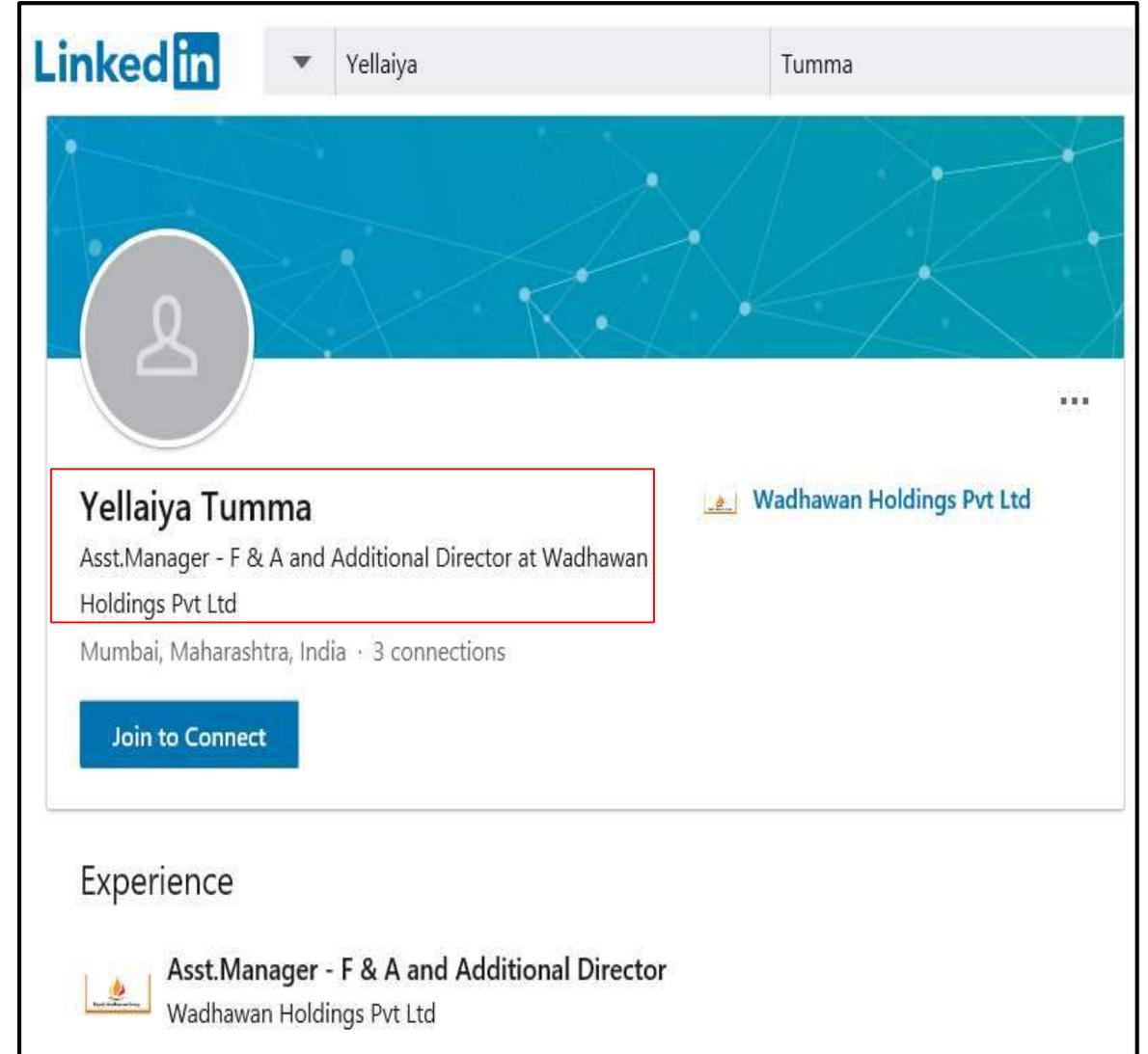
Observation: Disbursement made to Wadhawan Holdings Private Limited (Contd.)

Snapshot of public domain search of Mr. Ashwini Kumar Chaturvedi



LinkedIn search results for 'ashwini kumar chaturvedi'. The profile shows a person with a blue background banner. The name 'ashwini kumar chaturvedi' is highlighted with a red box. Below the name, it says 'Senior Executive Credit Appraisal at DHFL'. There are also logos for 'DHFL' and 'Master school of Managment'. A 'Join to Connect' button is visible. Under the 'Activity' section, there is a post with a photo of a man and the text 'Liked by ashwini kumar chaturvedi'.

Snapshot of public domain search of Mr. Yellaiya Tumma

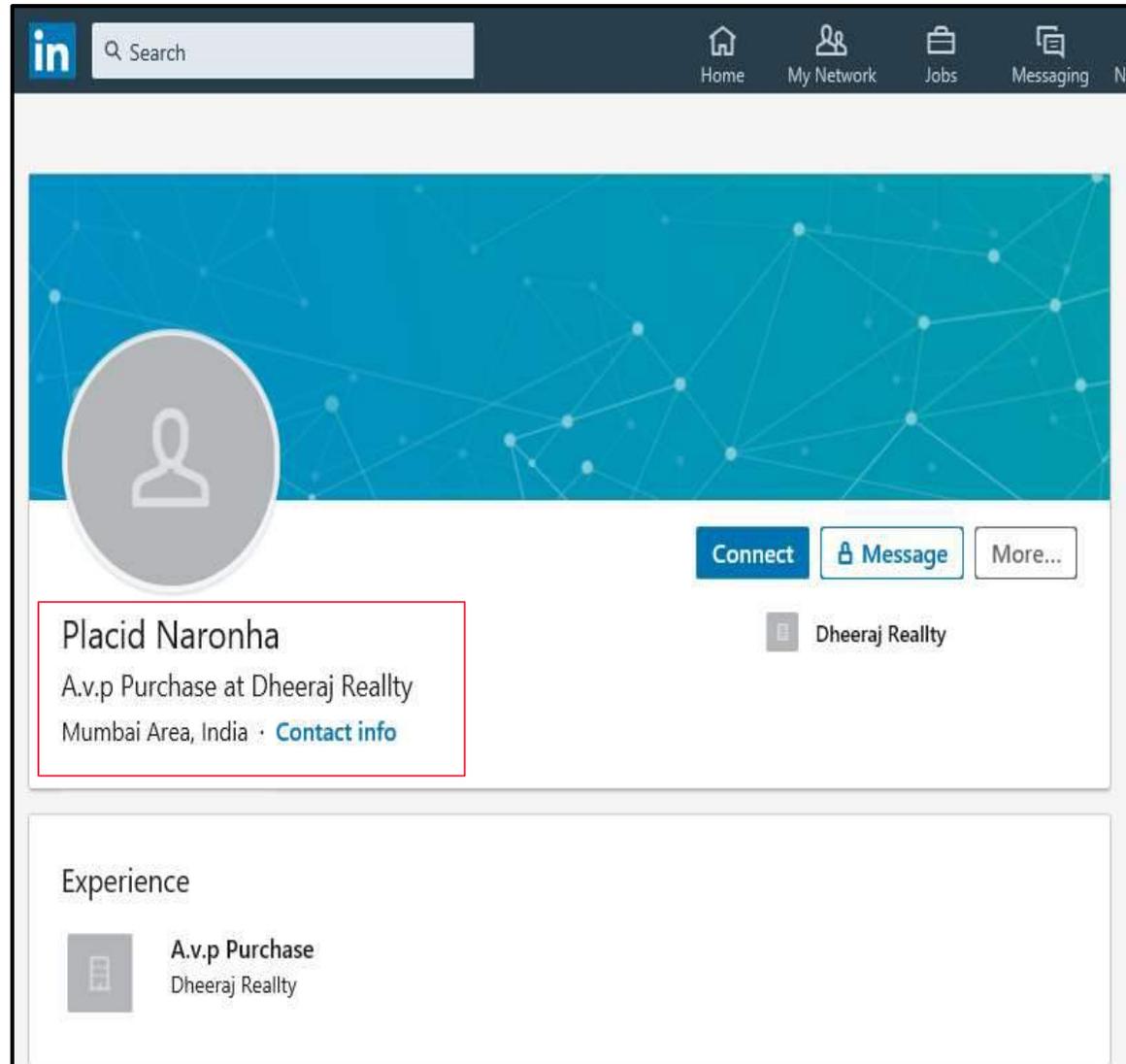


LinkedIn search results for 'Yellaiya Tumma'. The profile shows a person with a blue background banner. The name 'Yellaiya Tumma' is highlighted with a red box. Below the name, it says 'Asst.Manager - F & A and Additional Director at Wadhawan Holdings Pvt Ltd'. There is a logo for 'Wadhawan Holdings Pvt Ltd'. A 'Join to Connect' button is visible. Under the 'Experience' section, it lists 'Asst.Manager - F & A and Additional Director' at 'Wadhawan Holdings Pvt Ltd'.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

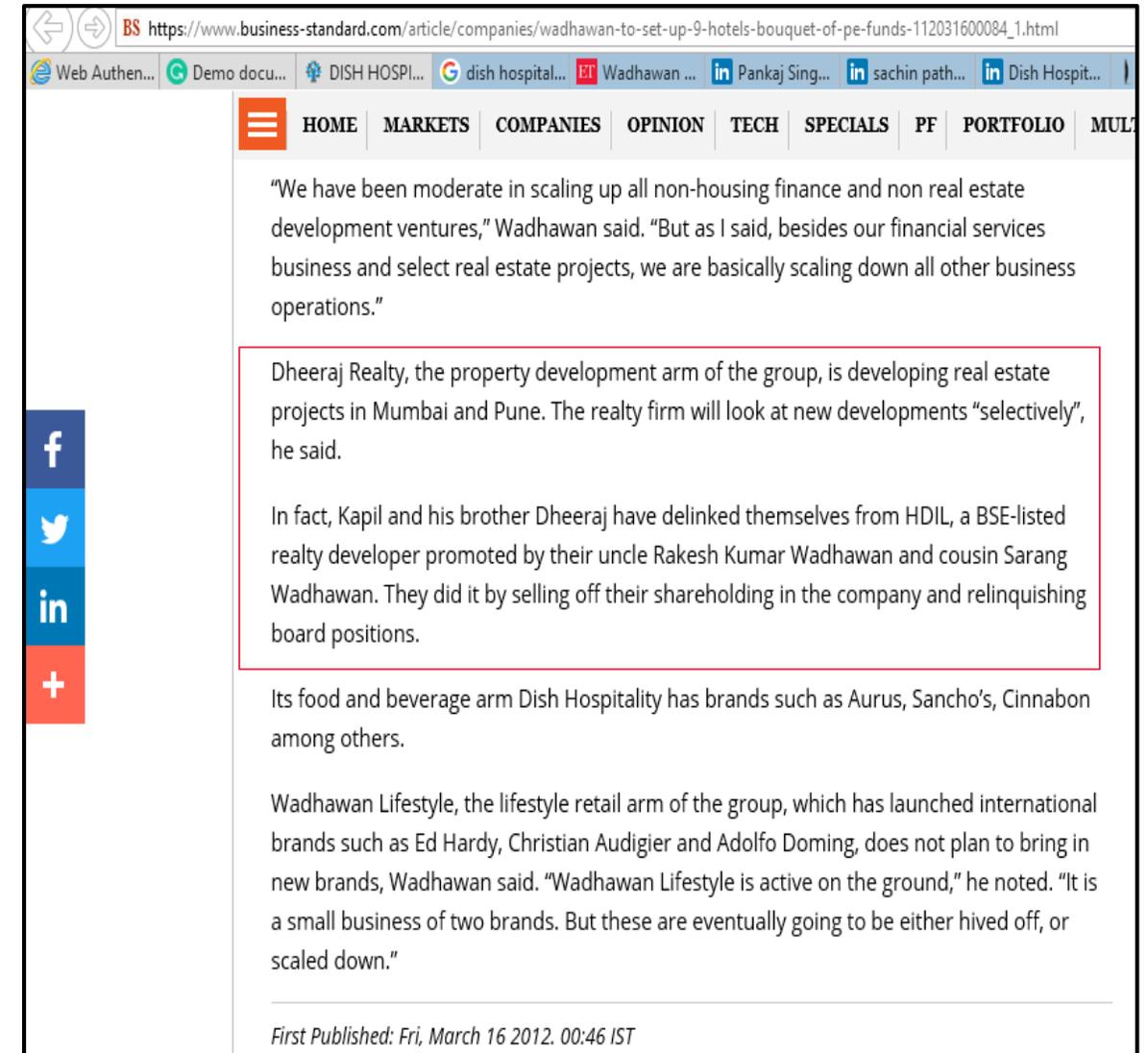
Observation: Disbursement made to Wadhawan Holdings Private Limited (Contd.)

Snapshot of public domain search of Mr. Placid Naronha



The image shows a LinkedIn profile for Placid Naronha. The profile picture is a placeholder. The name 'Placid Naronha' is highlighted with a red box. Below the name, it says 'A.v.p Purchase at Dheeraj Realty' and 'Mumbai Area, India · Contact info'. To the right of the name, there are buttons for 'Connect', 'Message', and 'More...'. Below the name, there is a company logo for 'Dheeraj Realty'. Under the 'Experience' section, there is a listing for 'A.v.p Purchase' at 'Dheeraj Realty'.

Snapshot of public domain search showing Dheeraj Realty is an arm of Wadhawan group



The image shows a snippet of a Business Standard article. The URL is https://www.business-standard.com/article/companies/wadhawan-to-set-up-9-hotels-bouquet-of-pe-funds-112031600084_1.html. The article text is as follows:

"We have been moderate in scaling up all non-housing finance and non real estate development ventures," Wadhawan said. "But as I said, besides our financial services business and select real estate projects, we are basically scaling down all other business operations."

Dheeraj Realty, the property development arm of the group, is developing real estate projects in Mumbai and Pune. The realty firm will look at new developments "selectively", he said.

In fact, Kapil and his brother Dheeraj have delinked themselves from HDIL, a BSE-listed realty developer promoted by their uncle Rakesh Kumar Wadhawan and cousin Sarang Wadhawan. They did it by selling off their shareholding in the company and relinquishing board positions.

Its food and beverage arm Dish Hospitality has brands such as Aurus, Sancho's, Cinnabon among others.

Wadhawan Lifestyle, the lifestyle retail arm of the group, which has launched international brands such as Ed Hardy, Christian Audigier and Adolfo Doming, does not plan to bring in new brands, Wadhawan said. "Wadhawan Lifestyle is active on the ground," he noted. "It is a small business of two brands. But these are eventually going to be either hived off, or scaled down."

First Published: Fri, March 16 2012. 00:46 IST

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Wadhawan Holdings Private Limited (Contd.)

Snapshot of public domain search of Mr. Bhagwat Swarup Sharma.

Directors named Bhagwat Swarup sharma

100 records found

Show entries

Search:

DIN	Name	Company
00230202	BHAGWAT SWARUP SHARMA	DHFL SALES AND SERVICES LIMITED
00230202	BHAGWAT SWARUP SHARMA	DHFL VENTURES TRUSTEE COMPANY PRIVATELIMITED

Showing 1 to 2 of 2 entries (filtered from 100 total entries)

Previous **1** Next

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Golden Beach Infracon Private Limited

- It was observed that the Target Entity has advanced a loan of INR 240 crores and INR 57 crores on 18 April 2017 and 16 May 2017 respectively to Golden Beach Infracon Private Limited ('Golden Beach'), a company fully owned by Wadhawan Realtors Private Limited. The total dues against these loans as on 31 October 2019 was INR 240 crores & INR 57 crores. The average tenure for loan to wholesale borrowers is around 14 months, however, the tenure for this loan was of 60 months.
- Golden Beach is having a paid-up capital of INR 0.01 crores and net worth of INR 1.93 crores as on 31 March 2017. The Target Entity has disbursed loans worth INR 297 crores which is approx. 154 times the net worth of Golden Beach. Moreover, no charge was registered on MCA in favor of the Target Entity for the loan disbursed.
- It is pertinent to note that the borrower has been classified as NPA as on 31 October 2019 by the target entity. Details of current and past directors of the borrower is presented below. Despite of our multiple follow up loan file of Golden Beach was not made available for our review.

		Current directors			Past directors					
Golden Beach Infracon Pvt. Ltd.		DIN	Name	Appointment date	Remarks	DIN	Name	Appointment date	Cessation date	Remarks
100% subsidiary of Wadhawan Realtors Private Limited.		07187144	Ballabh Chaturvedi	13 Feb 2017	Basis a public domain search, it appears that Ballabh Chaturvedi is an accountant at Dish Hospitality Pvt. Ltd, food and beverage arm of Wadhawan Group	00028528	Kapil Wadhwan	30 March 2010	25 July 2011	Former chairman & MD of DHFL
		08457849	Dimpal Jitendra Chauhan	21 May 2019	Basis a public domain search, it appears that Dimpal Chauhan has no online presence	00096026	Dheeraj Wadhawan	30 March 2010	01 Oct 2012	Former non- executive director of DHFL
						03031999	Placid Jacob Naronha	04 Aug 2010	13 Feb 2017	Basis a public domain search, it appears that Placid Jacob Naronha is AVP at Dheeraj Realty, the real estate arm of Wadhawan group
						00230202	Bhagwat Swarup Sharma	30 March 2010	13 Feb 2017	Basis a public domain search, it appears that Bhagwat Swarup Sharma is also a director in DHFL Ventures trustee Company Private Limited, in which Kapil Wadhawan was also a director till 25 May 2017

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Golden Beach Infracon Private Limited (Contd.)

- As per the latest available financial statements, it appears that the borrowing entity is not having any income from business operations, negligible fixed assets, no operating expenditure and was having accumulated losses. Most of the money borrowed appears to have been utilized towards investment in unquoted shares and inventories. The company has not reported any operation related expenditure which prima facie gives the impression that the company has no business activity. The major expenditure pertains to finance cost and other expenses which include filing fees and auditor's remuneration.
- Based on information available in public domain, it appears that Golden Beach has not filed its annual return with ROC for FY 17-18 & FY 18-19 as on 1 Dec 2019.

(INR in crores)

Key areas of financial statement	16-17	15-16	14-15
Equity & Liabilities			
Shareholders fund	1.93	7.51	-3.25
Long term borrowing	267.31	222.05	196.74
Other current liabilities, short term borrowing & provisions	45.83	35.51	51.26
Assets			
Non current investment in unquoted shares	31.75	32.90	32.90
Other non current asset (advances & security deposits)	4.00	3.81	3.04
Inventories (Construction work in progress)	262.62	212.13	191.67
Fixed assets	0.88	1.63	2.09
Other current assets (Advance to suppliers)	15.75	14.40	13.73
Revenue			
Revenue from sale of goods or services	0.00	0.00	0.00
Other Income	0.00	0.00	0.06
Expenses			
Operating expenses	0.00	0.00	0.00
Finance cost	4.99	4.67	0.11
Other expenses	2.86	0.61	1.55
Net profit/loss	-7.85	-5.28	-1.59

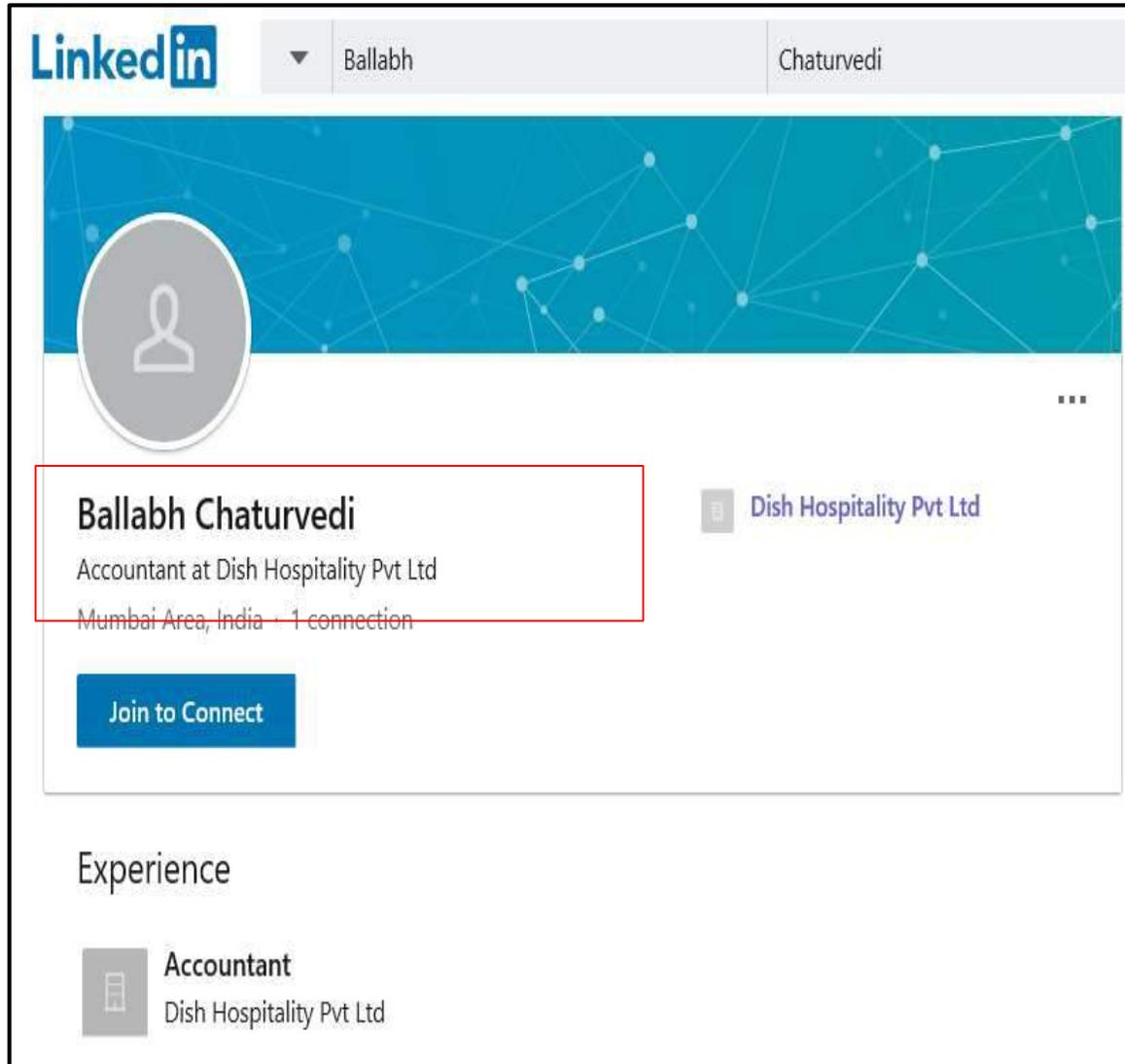
Shareholders	16-17	15-16	14-15
Wadhawan Realtors Private Limited	100%	100%	100%

Golden Beach	Details
Date of Incorporation	31 March 2009
Current Directors	1. Dimpal Jitendra Chauhan 2. Ballabh Nath Chaturvedi
Address	4th Floor, HDIL Towers, Anant Kanekar Marg, Bandra - East Mumbai Mh 400051 In
Common address with	Wadhawan Holdings Private Limited
Business area	Real estate
Email ID	jitendra.kadam@whpl.co.in

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

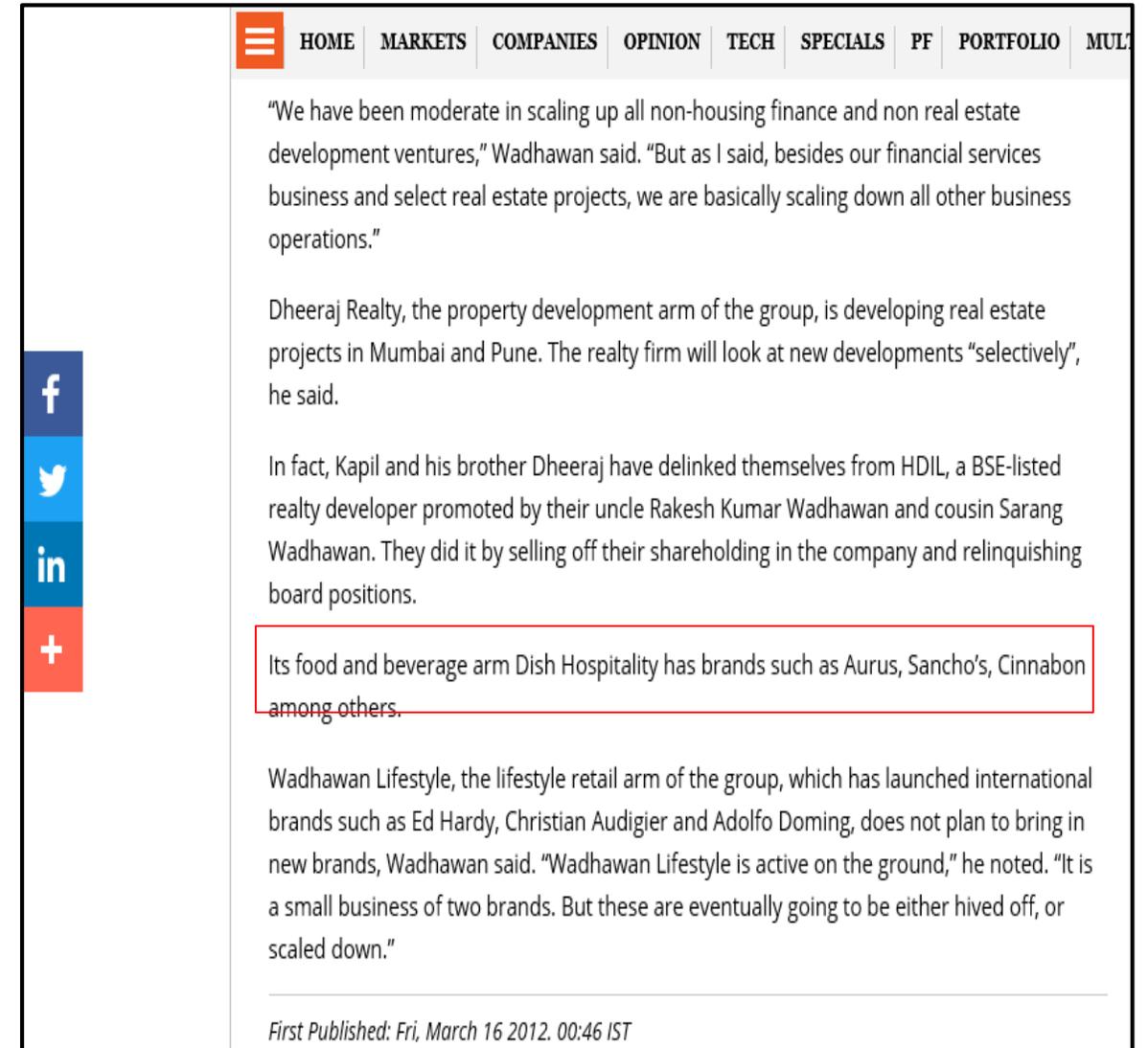
Observation: Disbursement made to Golden Beach Infracon Private Limited (Contd.)

Snapshot of public domain search of Mr. Ballabh Chaturvedi



LinkedIn profile for Ballabh Chaturvedi. The profile shows a search for "Ballabh Chaturvedi" with a dropdown menu. The profile picture is a placeholder. The name "Ballabh Chaturvedi" is highlighted with a red box. Below the name, it says "Accountant at Dish Hospitality Pvt Ltd" and "Mumbai Area, India · 1 connection". A blue button labeled "Join to Connect" is visible. Under the "Experience" section, there is an entry for "Accountant" at "Dish Hospitality Pvt Ltd".

Snapshot of public domain search showing Dish Hospitality is an arm of Wadhawan group



Article snippet showing Dish Hospitality is an arm of the Wadhawan group. The article includes a navigation bar with links: HOME, MARKETS, COMPANIES, OPINION, TECH, SPECIALS, PF, PORTFOLIO, MUL. The main text discusses the company's scaling strategy and its food and beverage arm. A red box highlights the sentence: "Its food and beverage arm Dish Hospitality has brands such as Aurus, Sancho's, Cinnabon among others." The article also mentions Wadhawan Lifestyle and its brands.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Golden Beach Infracon Private Limited (Contd.)

Snapshot of public domain search of Mr. Bhagwat Swarup Sharma.

Directors named Bhagwat Swarup sharma

100 records found

Show entries

Search:

DIN	Name	Company
00230202	BHAGWAT SWARUP SHARMA	DHFL SALES AND SERVICES LIMITED
00230202	BHAGWAT SWARUP SHARMA	DHFL VENTURES TRUSTEE COMPANY PRIVATE LIMITED

Showing 1 to 2 of 2 entries (filtered from 100 total entries)

Previous **1** Next

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Observation: Disbursement made to Katra Wilhelmsen Logistics Private Limited

- It was observed that the Target has advanced loan of INR 72.20 crores on 01 October 2018 to Katra Wilhelmsen Logistics Private Limited ('KWLPL')
- As per the latest available financial statements, it appears that the borrowing entity is having minimal income from business operations, no fixed assets, minimal operating expenditure, negative net worth and was having accumulated losses. Most of the money borrowed appears to have been utilized towards short term loans and advances.
- KWLPL is having a paid up capital of INR 0.45 crores and negative net worth of INR 4.51 crores as on 31 March 2018. The Target Entity has disbursed loans worth INR 72.2 crores which is 722 times the revenue from operations of KWLPL.
- Based on information available in public domain it appears that KWLPL has not filed its annual return with ROC for FY 18-19 as on 1 Dec 2019.

(INR in crores)

Key areas of financial statement	17-18	16-17	15-16
Equity & Liabilities			
Shareholders fund	-4.51	-4.52	-4.52
Long term borrowing	329.85	274.2	274.2
Other current liabilities, short term borrowing & provisions	72.18	46.42	35.61
Assets			
Fixed Asset	0.00	0.00	0.00
Capital work in progress	130.58	121.35	110.51
Other current assets	0.15	0.12	0.12
Short term loans and advances	266.83	194.65	194.65
Revenue			
Revenue from sale of goods or services	0.10	0.05	0.00
Other Income	0.00	0.00	0.00
Expenses			
Operating expenses	0.04	0.01	0.00
Finance cost	0.00	0.00	0.00
Other expenses	0.05	0.03	0.00
Net profit/loss	0.01	-0.00	0.00

Creatoz	Details
Date of Incorporation	26 June 2003
Current Directors	1. Ramesh Vangal 2. Anand Subramanian
Address	K-13A, HAUZ KHAS, NEW DELHI DL 110016 IN
Business area	Travel agency and transport activities
Email ID	anand@katra.biz

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Management Response

The loans were given under the “Structured Loan Product” based on the merits of the individual case including but not limited to underlying security, project, the underlying group and promoter strengths.

- SKIL Shipyard Holdings Private Limited is promoted by Mr. Nikhil P. Gandhi and Bhavesh Gandhi and is one of the leading infrastructure development Groups in India, having pioneered the development of Ports, Shipyards and Special Economic Zones in the private sector and of Railway Lines in the joint sector.
- SKIL Group has expertise in developing Greenfield Projects. The Company has developed and implemented several infrastructure projects in key strategic areas. SKIL Group has developed large infrastructure projects like Pipavav Port, Pipavav Railway & Expressways. Group has also promoted India’s largest shipyard and defence focussed engineering infrastructure - Pipavav Defence and Offshore Engineering Company Ltd (PDOECL). Other infrastructure projects of SKIL include development of Smart Cities in Panvel, Maharashtra and a Container Freight Station near JN Port, Navi Mumbai.
- SKIL Group, from time to time, has formed strategic and financial partnerships in all its projects with some of the best Conglomerates of the World including A.P. Moller/Maersk Group, the Denmark; SembCorp Marine Group, Singapore; Reliance Group (MDA), India; Port of Singapore Authority, Singapore; AIG, USA; Jurong Town Corporation (JTC), Singapore; Port of Rotterdam the Netherlands, to name a few. SKIL is listed on NSE and SKIL Group recently underwent consolidation via amalgamation of Fast lane Distriparks & Logistics Limited (FDLL), Horizon Country Wide Logistics Limited (HCWLL) and SKIL Infrastructure (“Transferor companies”) into HIL. Subsequently name of Horizon Infrastructure Limited was changed to SKIL Infrastructure Limited (‘SKIL’). It was envisaged that HIL, being a listed entity would ensure optimization of resource utilization and better fund-raising capabilities.
- Erstwhile FDLL was developing State of the Art Container Freight Stations (CFS) near Jawaharlal Nehru Port on an area of 73.15 acres. Project site is in close proximity to India’s biggest container handling port, Jawaharlal Nehru Port and adjacent to Navi Mumbai, close to the upcoming Mumbai Integrated Special Economic Zone (MiSEZ). Erstwhile HCWLL was setting up (directly / through JV /SPV) integrated logistics hub at various locations in India and developing multimodal facilities and creating a pan-India network of Container Freight Stations (CFS), Inland Clearance Depots (ICD) etc. including a Free Trade Warehousing Zone.

Nikhil P. Gandhi (Promotor Background)

- A first-generation entrepreneur, Mr. Nikhil Gandhi has led the Company in undertaking various infrastructure development projects of national importance, several such projects being first-of-its-kind in aspects such as bringing private sector initiative into a hitherto public domain. He has approximately 28 years of experience in conceiving and developing infrastructure projects across India.
- The accounts are as on date under stress owing to overall, stress in the group and the industry as a whole.

Note: Management response is reproduced in full as provided by the company.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Management Response

- Perfect Spacecon Private Limited, Sahyadri Food Processing Private Limited and Goregaon Hotel and Realty Private Limited belongs to DB Realty (DB) group. Goregaon Hotel and Realty Private Limited is the 100% subsidiary of the DB Realty.
- As on 31 March 18, the financials of DB were very strong as the Net Worth was INR 2,856.61 crores, Assets worth INR 3,599.98 crores and Total Income was INR 115.73 crores. As per BRICKWORKS Ratings dated October 1, 2018, the rating was BRICKWORKS B– (B minus) (outlook stable)
- The accounts are as on date under stress owing to overall, stress in the group and the industry as a whole.
- Katra Wilhelmsen Logistics Private Limited is a 50 : 50 Joint Venture between Katra Group of India and Norwegian shipping major, Wil Wilhelmsen, and came into existence on 26th Jun' 2003. Seabulk Systems Inc., Canada, technology partner for the applicant concern, specializes in innovative solutions for bulk cargo through marine terminals, transhippers and self-unloading vessels. The company's registered address is K-13A, Hauz Khas, New Delhi – 110016. Katra Wilhelmsen is involved in Marine Bulk Transportation by providing value added services in the RO-RO (Roll On – Roll Off) sector, to assist large scale sea transportation of motor vehicles.
- The company was promoted to seek and develop the opportunity in Goa in the field of iron ore cargo logistics. They had commissioned the World's biggest dry bulk 'transhipper' at that point of time, in deep waters off the coast of Goa. This transhipper "Goan Pride" has the capacity to store more than 1,20,000 tonnes of cargo and load it on ships at over 4,500 tonnes an hour. It has the capacity to load a Panamax vessel in a day and a Capesize vessel in two days.

Katra group

- A US\$ 500 mn enterprise, the Group employs 5,000 people worldwide and supports a network of over 10,000 farmers in India. The Group operates globally with a strong presence in North America, Europe and Asia in particular. The Group has been co-founded by Mr. Ramesh Vangal and Ms. Katharin Zimpel Vangal in 2001.
- Mr. Ramesh Vangal started his career with Procter & Gamble, Geneva, Switzerland. He was President, Asia Pacific for PepsiCo Foods and also a Member of PepsiCo's Worldwide Executive Council. He led PepsiCo's entry into India, an initiative that became the basis of a Harvard Business School case study and led to his being the first recipient of Pepsi-Cola International's High-Performance Leadership Award in 1992.
- Mr. Ramesh was invited to serve on the Board of Infosys Technologies Ltd as its first independent and overseas Director in 1997. Prior to founding the Scandent Group, now Cambridge Solutions, he was the Chairman of Seagram Asia Pacific, (now Pernod Ricard) and part of its global executive board. He received his engineering degree from the Indian Institute of Technology, Mumbai and his MBA from the London Business School and became the first Asian to be awarded the school's "Alumni of the Year" honor in 1996 and currently serves on the Global Advisory Board of London Business School. He received the ultimate accolade from the Indian Institute of Technology, Mumbai by being honoured as its Distinguished Alumnus in 2007.

5. Disbursement made to other entities with inadequate repayment capacity (Contd.)

Management Response

- Golden Beach Infracon Private Limited and Wadhwan Holdings Private Limited belong to the Dewan Housing Finance Limited (“DHFL”) group, which was a large financial services and real estate group in the country at the time of our lending to these entities.
- As per CARE Ratings of DHFL in July 2017, the rating was CARE AAA (triple A):
- As on 31 March 17, the financials of DHFL were strong as the Net Worth was INR 7,995.80 crores, Assets worth INR 92,297.98 crores. Total Income was INR 8,857.23 crores and PBT was INR 3,371.82 crores. Out of total assets, Cash & cash equivalent worth INR 3,429.99 Crores was available with the company. The overall CRAR ratio was 19.12% which consists of Tier I Capital 14.75% and Tier II capital 4.37%. The GNPA of the company stood at 0.94% of the total loan book.
- The accounts are as on date under stress owing to overall, stress in the group and the industry as a whole.

The Company has followed the prescribed policies and procedures in granting the above loans.

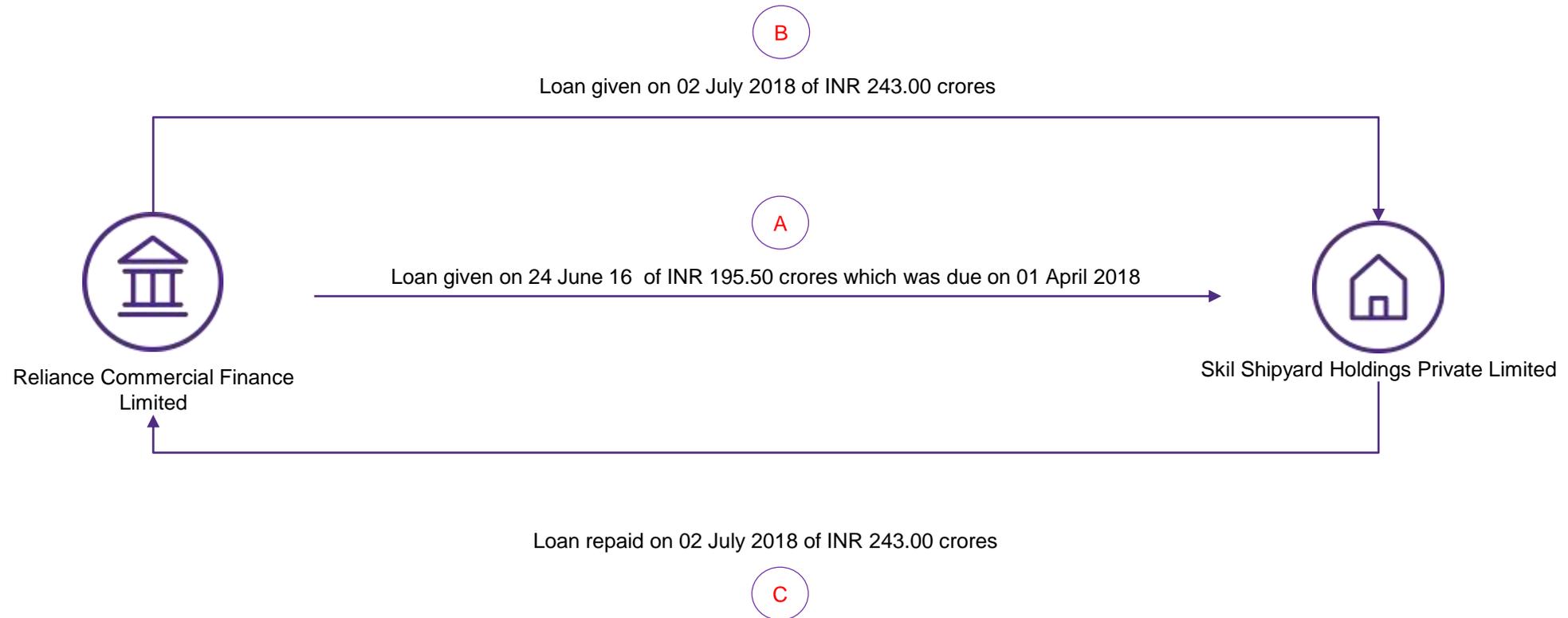
Note: Management response is reproduced in full as provided by the company.

Others - Potential circular transactions

6. Others - Potential Circular Transactions

Observation: Case 1

On 02 July 2018, Target Entity extended a wholesale loan to SKIL Shipyards Holdings Private Limited which potentially appears to have been used to repay its existing loan. Pictorial representation of these transactions are provided below:



Note: The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 1 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
24-June-16	RLSLCOR000325834	SKIL SHIPYARD HOLDINGS PRIVATE LIMITED	195.50	SECURED LENDING
01-July-17	RLCSCOR000395943	SKIL SHIPYARD HOLDINGS PRIVATE LIMITED	243.00	CORPORATE GROUP 4_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
848225	51698174	RLSLCOR000325834	SKIL SHIPYARD HOLDINGS PRIVATE LIMITED	243.00	30-Jun-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
24-June-2016	RTGS DR-KKBK0000647-SKIL SHIPYARD HOLDIN HDFCRS2016062409932606	195.51	
02-Jul-18	1 PO ISS FOR FVG RELIANCE COMMERCIA L 216633FINANCE LTD	243.00	

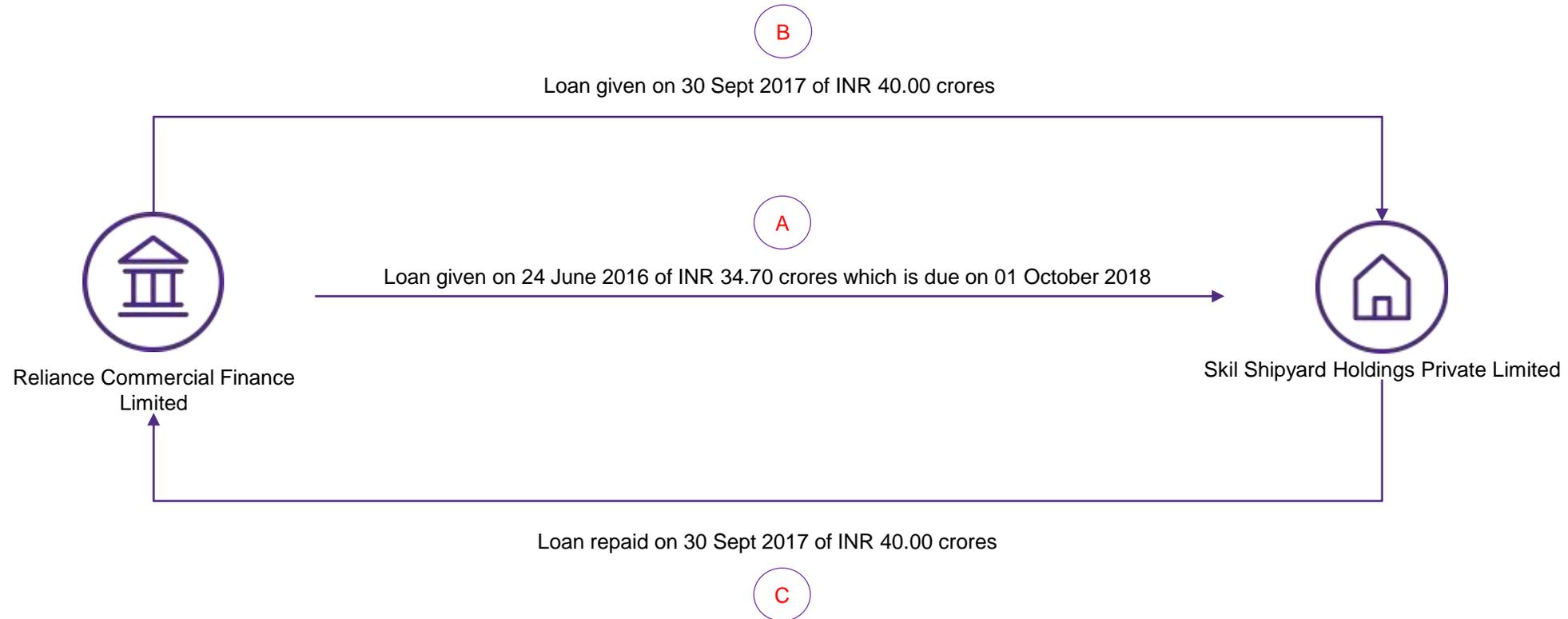
Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
02-Jul-18	CHQ DEP - TRANSFER OW 2 - MUMBAI CLEARIN 438410		243.00

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 2

On 30 September 2017, Target Entity extended a wholesale loan to SKIL Shipyards Holdings Private Limited which potentially appears to have been used to repay its the existing loan. Pictorial representation of these transactions are provided below:



Note: The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 2 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
24-June-16	RLSLCOR000325832	SKIL SHIPYARD HOLDINGS PRIVATE LIMITED	34.70	SECURED LENDING
30-Sept-17	RLCSCOR000343986	SKIL SHIPYARD HOLDINGS PRIVATE LIMITED	40.00	CORPORATE GROUP 4_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
848236	48461499	RLSLCOR000325832	SKIL SHIPYARD HOLDINGS PRIVATE LIMITED	40.00	29-Sept-17

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
24-June-16	RTGS DR-KKBK0000647-SKIL SHIPYARD HOLDIN HDFCR2016062409932606	34.70	
29-Sept-17	RTGS HDFCR52017092954DR-UBIN0531570-SKILSHIPYARDHOLDINGS PVTL- 736243NETBANK, MUM-HDFCR52017092954736243	40.00	

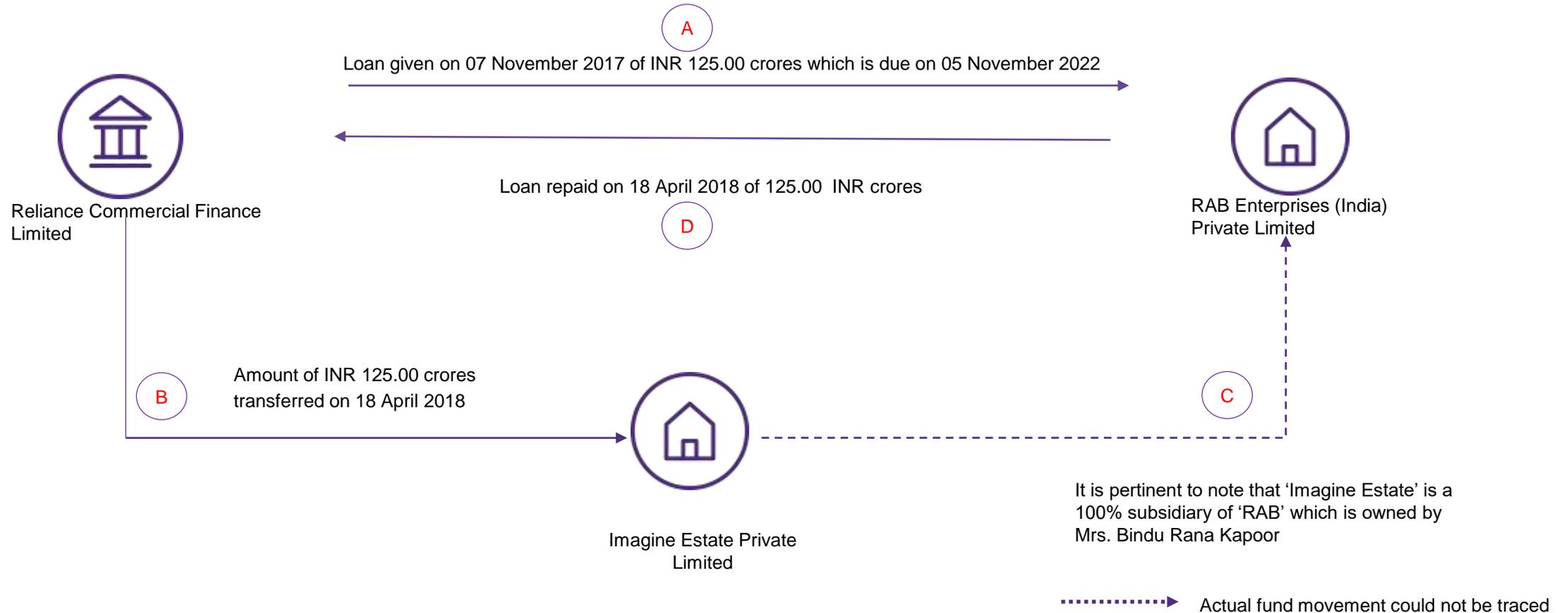
Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
29-Sept-17	RTGS CR-UBIN0531570-SKIL SHIPYARDHOLDINGS PRIVATE LIMI-RELIANCECOMMERCIAL FINANCE		40.00

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 3

On 18 April 2018, Target Entity extended a wholesale loan to Imagine Estate Private Limited ('Imagine Estate') which potentially appears to have been used to repay the existing loan of RAB Enterprises (India) Private Limited ('RAB'). Pictorial representation of these transactions are provided below:



Note 1 The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

2 The loans disbursed to RAB & Imagine Estate were repaid as on 30 June 2019

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 3 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
07-Nov-17	RLCSCOR000345662	RAB ENTERPRISES INDIA PRIVATE LIMITED	125.00	SME STRUCTURED 365 - CLUSTER
18-Apr-18	RLCSCOR000369082	IMAGINE ESTATE PRIVATE LIMITED	125.00	CORPORATE GROUP 3_365

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
921733	50491806	RLCSCOR000345662	RAB ENTERPRISES INDIA PRIVATE LIMITED	125.00	18-Apr-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
07-Nov-17	RTGS Dr-HSBC0400002-RABENTERPRISESINDIAPVTL-NETBANK, MUM-HDFCR52017110757458004	125.00	
18-Apr-18	RTGS Dr-HSBC0400002-IMAGINEESTATEPRIVATELTD-NETBANK, MUM-HDFCR52018041874533111	125.00	

Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
18-Apr-18	NEFT CR-HSBC0400002-RAB ENTERPRISES(INDIA) PRIVATE LIM-RELIANCE COMMERCIALFINANCE LIMITED-HSBCN18108924416 HSBCN18108924416		125.00

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 4

On 6 July 2017, Target Entity extended a wholesale loan to Imagine Estate Private Limited ('Imagine Estate') which potentially appears to have been used to repay the existing loan of RAB Enterprises (India) Private Limited ('RAB'). Pictorial representation of these transactions are provided below:



Note: 1 The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

2 The loans disbursed to RAB & Imagine Estate were repaid as on 30 June 2019

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 4 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
06-Jul-17	RLSLCOR000341444	RAB ENTERPRISES INDIA PRIVATE LIMITED	100.00	
26-Apr-18	RLCSCOR000371154	IMAGINE ESTATE PRIVATE LIMITED	100.00	

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
913290	50817904	RLSLCOR000341444	RAB ENTERPRISES INDIA PRIVATE LIMITED	6.70	26-Apr-18
913290	50817907	RLSLCOR000341444	RAB ENTERPRISES INDIA PRIVATE LIMITED	100.00	26-Apr-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
06-Jul-17	RTGS HDFCR52017070699DR-HSBC0400002-RABENTERPRISESINDIAP VTLTD 262665=-NETBANK, MUM-HDFCR5201707069926266 5	100.00	
26-Apr-18	NEFT Dr-HSBC0400002-IMAGINE ESTATE PRIVATE LIMITED-SONAWALA,MUM-N116180527402114	100.00	

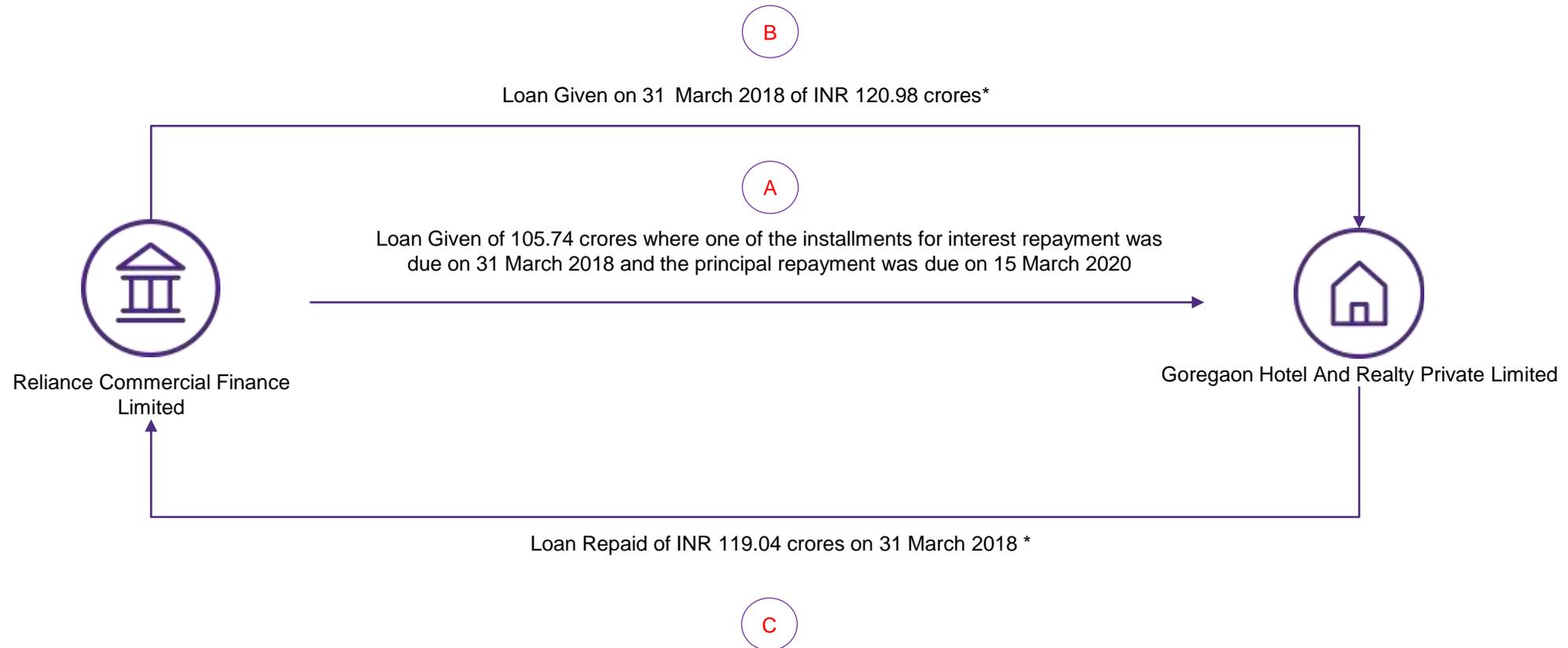
Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
26-Apr-2018	RTGS CR-HSBC0400002-RAB ENTERPRISES(INDIA) PRIVATE LIM-RELIANCE COMMERCIALFINANCE LTD-HSBCR22018042604862362 HSBCR22018042604		100.00
26-Apr-2018	NEFT CR-HSBC0400002-RAB ENTERPRISES(INDIA) PRIVATE LIM-RELIANCE COMMERCIALFINANCE LTD-HSBCN18116401608 HSBCN18116401608		6.70

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 5

On 31 March 2018, Target Entity extended a wholesale loan to Goregaon Hotel and Realty Private Limited which potentially appears to have been used to repay its existing loan. Pictorial representation of these transactions are provided below:



Note: The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – 600310011545 and 00600310011535

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 5 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
27-Jun-17	RLWCMUM000321867	GOREGAON HOTEL AND REALTY PRIVATE LIMITED	105.74	CORPORATE GROUP 3
31-Mar-18	RLCSCOR000366162	GOREGAON HOTEL AND REALTY PRIVATE LIMITED	120.98	CORPORATE GROUP 3

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
829706	50323469	RLWCMUM000321867	GOREGAON HOTEL AND REALTY PRIVATE LIMITED	119.04	31-Mar-18

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
NA	AMOUNT OF INR 58.19 DISBURSED PRIOR TO OUR REVIEW PERIOD	58.19	
28-Apr-2017	RTGS HDFCR52017042894DR-ORBC0100521-GOREGAONHOTELANDREAL TYP-N 827798ETBANK, MUM-HDFCR52017042894827798	10.00	
27-June-2017	RTGS HDFCR52017062798DR-ORBC0100521-GOREGAONHOTELANDREAL TYPVT 582994--NETBANK, MUM-HDFCR5201706279858299 4	10.00	
11-Nov-2017	RTGS HDFCR52017110157DR-ORBC0100521-GOREGAONHOTELANDREAL TY-NE 048914TBANK, MUM-HDFCR52017110157048914	10.00	
NA	Entry not found in the bank statement**	17.55	
31-Mar-18	RTGS Dr-ORBC0100521-VANITA INFRASTRUCTURE PVT LTD-SONAWALA,MUM-HDFCR5201803317219 3060	120.98	

Bank account entries HDFC Bank 00600310011535

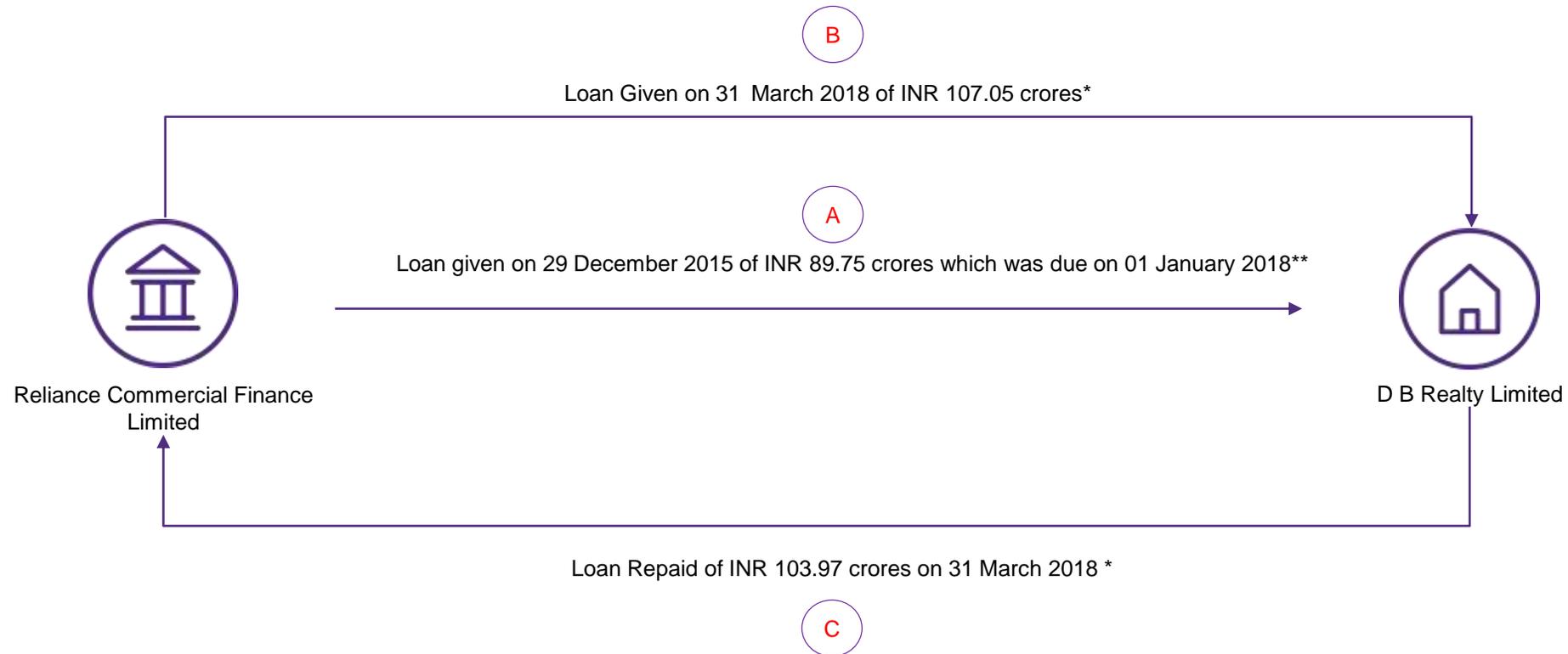
Transaction Date	Description	Debit	Credit
31-Mar-18	NEFT CR-ORBC0100521-D B REALTYLIMITED-RELIANCE COMMERCIAL FINANCELIMITE-SAA54660632		119.04

**The transaction for INR 17.55 crores was reflecting in the disbursement dumb but could not be traced in bank statement. On enquire, the representative of the Target Entity expressed their inability to trace the amount by citing the reason that their server experienced a virus attack due to which the file is not being accessible.

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 6

On 31 March 2018, Target Entity extended a wholesale loan to D B Realty Limited which potentially appears to have been used to repay its existing loan. Pictorial representation of these transactions are provided below:



Loan given of INR 86.85 crores given prior to review period the same could not be verified in the bank statement

Note: The dates and amount considered above represents actual dates on which funds are debited or credited in the bank account statement of HDFC Bank – **600310011545** and **00600310011535**

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 6 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
29-Dec-2015	RLWCCOR000351979	D B Realty Limited	89.75	CORPORATE GROUP 3
31-Mar-18	RLCSCOR000366167	D B Realty Limited	107.05	CORPORATE GROUP 3

Loan repayment

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
812206	50323466	RLWCCOR000351979	D B Realty Limited	103.97	31-Mar-2018

Bank account entries HDFC Bank 600310011545

Transaction Date	Description	Debit	Credit
31-Mar-18	RTGS DR-ORBC0100521-D B REALTY HDFCR52018033172LTD-SONAWALA,MUM-HDFCR52018033172185901 185901	107.05	

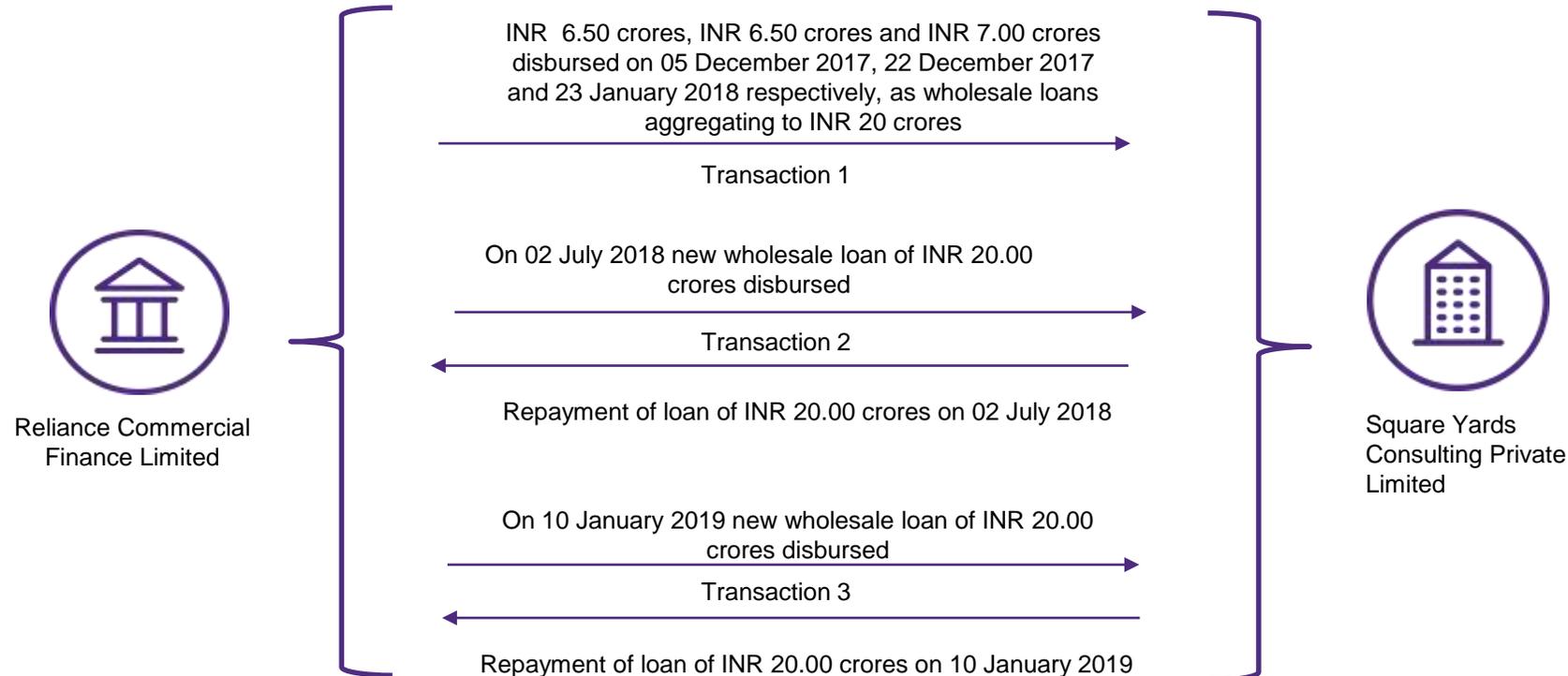
Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
31-Mar18	RTGS CR-ORBC0100521-D B REALTYLIMITED-RELIANCE COMMERCIAL FINANCELIMITE-ORBCR52018033100045969		103.97

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 7

- On 2 July 2018, the Target Entity extended a wholesale loan to Square Yards Consulting Private Limited ('Square Yards') which was potentially used to repay its existing loans which were disbursed on 05 December 2017, 22 December 2017 and 23 January 2018.
- Further, on 10 January 2019, Target Entity extended another wholesale loan to Square Yards which was potentially used to repay its existing loan disbursed on 2 July 2018. It is pertinent to note that the wholesale loan disbursed on 10 January 2019 of INR 20.00 crores was declared NPA as on 31 October 2019.
- Moreover, basis a public domain search it appears that Square Yards has raised \$12 million investment from private equity arm of ADA group in FY 16-17.



6. Others - Potential Circular Transactions (Contd.)

Observation: Case 7 (Contd.)

Anil's Reliance Group invests \$12 million in realty firm Square Yards

Square Yards has secured first institutional investment from Reliance Group after it had raised \$11 million from a clutch of high net worth investors last year

PTI | Nov 09, 2016, 03:58 PM IST



Save



NEW DELHI: Anil Ambani-led Reliance Group's private equity firm has invested \$12 million in real estate brokerage firm **Square Yards**, the realty firm said today. The brokerage firm will use the proceeds to strengthen its **distribution** network.

Square Yards, an online to offline (O2O) real estate transaction player, has "raised \$12 million investment from the Private Equity arm of Anil Ambani-led Reliance Group."

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/anils-reliance-group-invests-12-million-in-realty-firm-square-yards/articleshow/55331833.cms>

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 7 (Contd.)

Loan Disbursal Details

(INR in crores)

Disbursal Date	Loan Account No.	Customer Name	Disbursed Amount	Nature of Loan
05-Dec-17	RLCSCOR000347371	SQUARE YARDS CONSULTING PRIVATE LIMITED	6.50	SME STRUCTURED 365 - CLUSTER
22-Dec-17	RLCSCOR000348267	SQUARE YARDS CONSULTING PRIVATE LIMITED	6.50	SME STRUCTURED 365 - CLUSTER
23-Jan-18	RLCSCOR000351164	SQUARE YARDS CONSULTING PRIVATE LIMITED	7.00	CORPORATE GROUP 3_365
02-Jul-18	RLCSCOR000395897	SQUARE YARDS CONSULTING PRIVATE LIMITED	20.00	CORPORATE GROUP 3_365
10-Jan-19	RLCSCOR000482547	SQUARE YARDS CONSULTING PRIVATE LIMITED	20.00	CORPORATE GROUP 3_365

Loan repayment

(INR in crores)

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
924155	51739086	RLCSCOR000347371	SQUARE YARDS CONSULTING PRIVATE LIMITED	6.50	02-July-18
925962	51739088	RLCSCOR000348267	SQUARE YARDS CONSULTING PRIVATE LIMITED	3.00	02-July-18
930310	51739089	RLCSCOR000351164	SQUARE YARDS CONSULTING PRIVATE LIMITED	7.00	02-July-18
925962	51739087	RLCSCOR000348267	SQUARE YARDS CONSULTING PRIVATE LIMITED	3.50	02-July-18
980611	53884935	RLCSCOR000395897	SQUARE YARDS CONSULTING PRIVATE LIMITED	10.00	10-Jan-19
980611	53884936	RLCSCOR000395897	SQUARE YARDS CONSULTING PRIVATE LIMITED	10.00	10-Jan-19

6. Others - Potential Circular Transactions (Contd.)

Observation: Case 7 (Contd.)

Bank account entries HDFC Bank 600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
05-Dec-17	RTGS Dr-KKBK0000261-SQUAREYARDSCONSULTINGPVTL-NETBANK, MUM-HDFCR52017120559595866	6.50	
22-Dec-17	49197309 N356170437118655	6.50	
23-Jan-18	RTGS HDFCR52018012363DR-KKBK0000261-SQUAREYARDSCONSULTIN GP-NE 291077TBANK, MUM-HDFCR52018012363291077	7.00	
02-Jul-18	RTGS Dr-KKBK0000261-SQUAREYARDSCONSULTINGP-NETBANK, MUM-HDFCR52018070284519567	10.00	
02-Jul-18	RTGS CR-KKBK0000958-SQUARE YARDSCONSULTING PRIVATE LIMITED-RELIANCECOMMERCIAL FINANCE KKBKR22019011000	10.00	
10-Jan-19	RTGS Dr-YESB0000002-SQUAREYARDSCONSULTINGPRIVATELIMITE-NETBANK MUM-HDFCR52019011060028740	20.00	

Bank account entries HDFC Bank 00600310011535

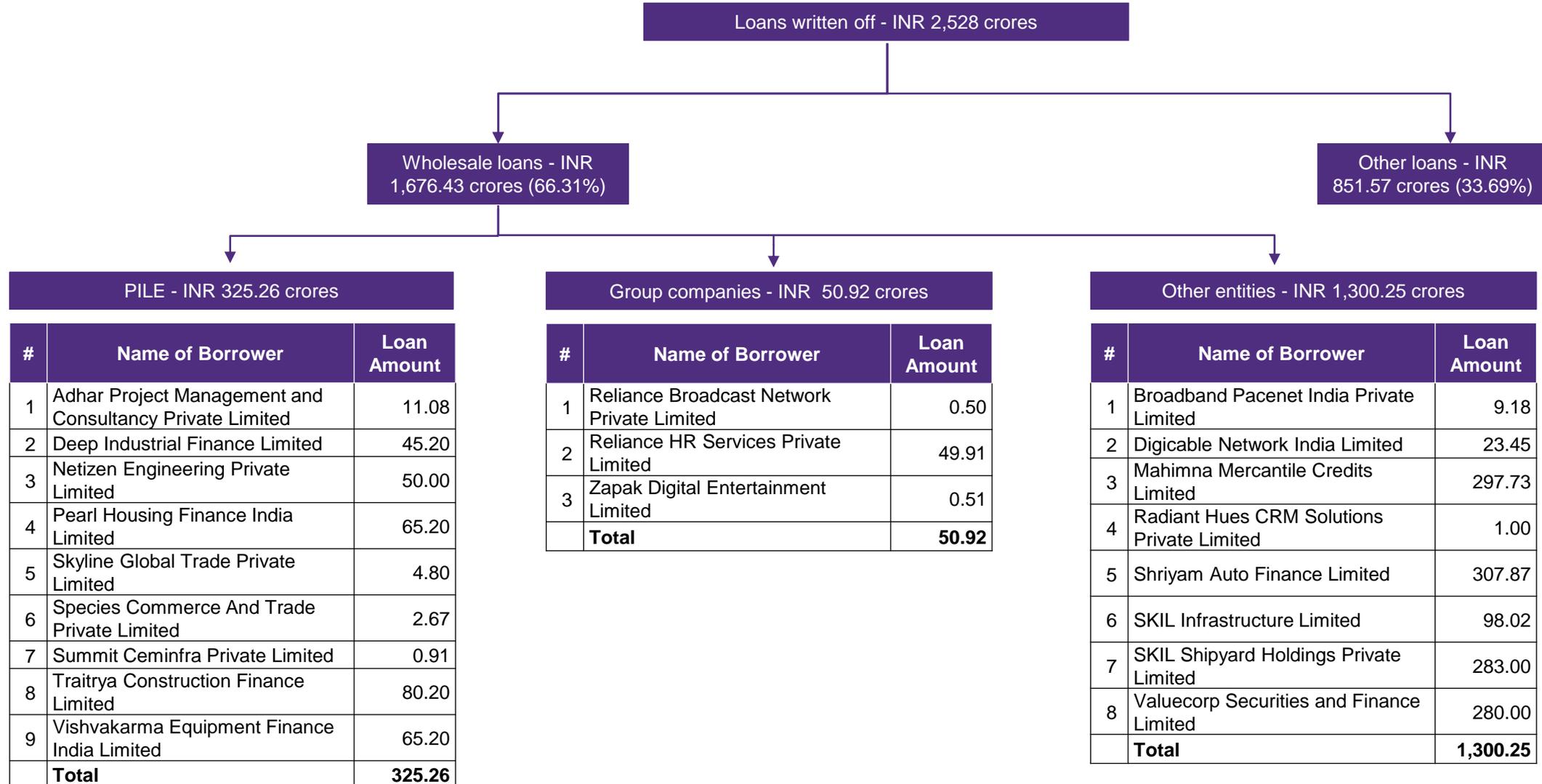
(INR in crores)

Transaction Date	Description	Debit	Credit
02-July-2018	RTGS CR-KKBK0000958-SQUARE YARDSCONSULTING PRIVATE LIMITED-RELIANCECOMMERCIAL FINANCE		10.00
02-July-2018	RTGS CR-KKBK0000958-SQUARE YARDSCONSULTING PRIVATE LIMITED-RELIANCECOMMERCIAL FINANCE		10.00
10-Jan-19	RTGS CR-KKBK0000958-SQUARE YARDSCONSULTING PRIVATE LIMITED-RELIANCECOMMERCIAL FINANCE		10.00
10-Jan-19	RTGS CR-KKBK0000958-SQUARE YARDSCONSULTING PRIVATE LIMITED-RELIANCECOMMERCIAL FINANCE		10.00

Loan written - off

7. Loans written off

During the review period, loan aggregating to INR 2,528 crores were written off by the Target Entity. Of which, approx. 66.31% of loans were wholesale loans aggregating to INR 1,676.43 crores. Details of these loans are provided below.



7. Loan disbursement to Valuecorp Securities and finance Limited written off

Observation: Loan disbursement to Valuecorp Securities and finance Limited written off within 4 months of disbursement:

- During our review period, the Target entity has disbursed two loans of INR 201.60 crore and INR 78.40 crore on 13 December 2018 and 14 December 2018 respectively to Valuecorp Securities and finance Limited ('Valuecorp')
- As per the latest available financial statements, it appears that the borrowing entity is not having any income from business operations, no fixed assets, minimal operating expenditure and was having accumulated losses. Most of the money borrowed appears to have been utilized towards short term loans and advances. The company has reported minimal operation related expenditure which prima facie gives the impression that the company has no business activity.
- Basis review of the data provided by the target entity, the entire loan given to Valuecorp has been written off in March 2019 i.e. within a period of 4 months from the date of disbursement.
- The borrower has similar registered address and email ID as that of five other potential indirectly linked entities. Details of the same are provided in the 'site visit' section of the report.

(INR in crores)

Key areas of financial statement	18-19	17-18	16-17	15-16	14-15
Equity & Liabilities					
Shareholders fund	57.82	15.94	15.94	15.95	15.95
Short Term borrowing	398.49	0.00	0.00	0.00	0.00
Other current liabilities & Non Current Liability	14.41	13.31	13.31	13.32	13.32
Assets					
Total fixed assets	0.00	0.00	0.00	0.00	0.00
Non current investments	17.24	17.15	17.15	17.15	17.15
Cash & cash equivalents	0.001	0.001	0.001	0.001	0.004
Unsecured short term loans & advances	452.77	0.00	0.00	0.00	0.00
Other current & non current assets	0.70	12.11	12.11	12.12	12.12
Revenue					
Revenue from sale of goods or services	0.00	0.00	0.00	0.00	0.00
Other Income	0.60	0.00	0.00	0.00	0.01
Expenses					
Operating Expenses	0.44	0.00	0.01	0.00	0.43
Finance cost	0.00	0.00	0.00	0.00	0.00
Net profit/loss	0.01	(0.00)	(0.00)	(0.00)	(0.40)

Valuecorp	Details
Date of Incorporation	15 July 1991
Current Directors	1. Samir Dedhia 2. Antoo Kallan 3. Pradip Shroff 4. Girish Damania
Address	24/26, 1 st floor, Cama Building, Dalal Street, Fort Mumbai 400001
Business area	Financial Services
Email ID	vijaykar@vbdesai.com

7. Loan disbursement to Valuecorp Securities and finance Limited written off

Management response:

- The loan given to Valuecorp was an on-lent exposure to Reliance Communications Limited (RCom) and was secured by way of charge on all receivables of the borrower. At the time of sanctioning of the loan, RCom had publicly announced its debt resolution plan which envisaged “zero write-off” for all the lenders. Attached for your kind reference is the press release dated December 26, 2017 issued by RCom (Annexure 4)
- Accordingly, the exposure to RCom group was considered to be safe and fully recoverable.
- The subsequent writing-off of the exposure to RCom was consequent to RCom announcing its debt resolution through NCLT, for not being able to achieve resolution even after 18 months. Attached is the media release dated February 1, 2019 (Annexure 5).
- Such write-off was strictly in compliance with IND AS guidelines with respect to prudent credit risk management and without relinquishing the Company’s legal rights or remedies available at law and equity.

Note: Management response is reproduced in full as provided by the company.

7. Potential anomalies in disbursement made to other borrowers situated at 24/26, 1st floor, CAMA Building, Dalal Street, Mumbai 400001

Observation:

During our review period Target Entity has disbursed wholesale loans to borrowers who were having common registered address - 24/26, 1st floor, CAMA Building, Dalal Street, Mumbai 400001. These borrowers were categorized in 'others' category to whom loans have been disbursed in our review period. It is pertinent to note that all these loans were written off as on 31 March 2019.

Further, it appears that the above stated address is common to that of 5 other entities who are classified as PILE.

(INR in crores)

#	Name of Borrower	No of Loan Disbursed	Loan Amount	Loan Status
1.	Mahimna Mercantile Credits Private Limited	5	295.00	Written off
2.	Valuecorp Securities and Finance Limited	2	280.00	Written off
3.	Shriyam Auto Fin Limited	2	307.87	Written off
	Total	9	882.87	

Anomalies in the credit appraisal process

8.1 Loan disbursed prior to the loan sanction date

Background:

- Each loan disbursement requires prior approval of relevant authority as defined in the Credit Authority Delegation ('CAD') which was last approved in the meeting of Board of Directors held on 24 April 2017. Accordingly, loans of value greater than INR 5 crores are approved by Credit Committee which comprises of - Chief Risk Officer (CRO), Chief Executive Officer (CEO) and one Director. On discussion with the representative of the target entity, we were informed that the disbursement of the value greater than INR 5 crores is manually approved by authorities as defined in CAD by signing the loan approval memo. Post manual approval by authorities, approval in 'Finnone' is done through designated logins by officials in the credit department.

Observation:

- On review of 158 wholesale loans, it appears that in 2 instances, the actual loan disbursement date as per bank statement was prior to the date of issuance of sanction letter aggregating to INR 147 crores. The difference was observed to be of 01 days.
- It is pertinent to note that all such borrowers were identified as potential linked entities ('PILE'). (INR in crores)

#	Name of the borrower	LAN	Amount disbursed	Date of disbursement in bank statement	Date of sanction letter	Date of loan facility agreement	Disbursement date in LOS	Difference
1	Indian Agri Services Private Limited	RLCSCOR000481295	105.00	20-Dec-18	21-Dec-18	21-Dec-18	20-Dec-18	1
2	Gamesa Investment Management Private Limited	RLCSCOR000493097	42.00	27-May-19	28-May-19	28-May-19	28-May-19	1
Grand Total			158.00					

Management response:

Due to clerical error, there is a mis-match between disbursement and loan booking dates. However, the interest start date in both the loans are from actual date of disbursement.

Note: Management response is reproduced in full as provided by the company.

8.2 Loan disbursed to parties with weak financials

Observation:

- On review of wholesale loans disbursed during the review period, it was noted that the Target Entity has extended various loan facilities to borrowers which were having weak financial metrics i.e. negative or minimal net worth and nominal paid up share capital ranging from INR 0.01 crores to INR 102.50 crores.
- The total loan disbursed to these entities during our review period aggregates to INR 4,203.88 crores with total outstanding dues as on 31 October 2019 of INR 3,888.59 crores. **For details refer annexure 2**
- Borrower wise details are presented in below table;

(INR in crores)

#	Borrower	Total disbursement	No. of loans disbursed	Total outstanding	No. of loans outstanding	Paid up capital	Net worth (17-18)**	Loan Status
1	Gamesa Investment Management Private Limited	370.70	4	122.70	4	0.01	-4.19	NPA
2	Worldcom Solutions Limited	353.03	1	353.03	1	0.05	-1.02	Not Due
3	Summit Ceminfra Private Limited	300.00	1	300.00	1	0.05	-196.25	NPA
4	Tulip Advisors Private Limited	297.73	2	297.95	2	0.03	0.22	NPA
5	Skyline Global Trade Private Limited	290.00	2	290.00	2	0.60	-38.40	NPA
6	Katra Phytocaam Pprivate Limited	279.85	1	326.02	1	7.80	35.68	1-30 DPD
7	Reliance Cleangen Limited	270.49	2	270.49	2	22.55	68.98	NPA
8	Kalai Power Private Limited	260.80	2	260.80	2	0.28	107.32	NPA
9	Reliance Big Entertainment Private Limited	246.83	1	246.83	1	102.50	-3028.18	Not Due
10	Species Commerce And Trade Private Limited	235.50	2	253.13	2	8.27	46.66	1-30 DPD
11	Hirma Power Limited	224.30	3	222.41	3	0.89	-0.16	NPA
12	Perfect Spacecon Private Limited	224.00	1	224.00	1	0.01	-0.07	Not Due
13	Indian Agri Services Private Limited	165.00	2	30.00	2	0.12	-13.14	NPA
14	Goregaon Hotel & Realty Pvt. Ltd	125.92	2	125.98	2	0.01	-12.00	Not Due
15	Medybiz Private Limited	120.00	3	128.01	3	2.47	-1.71	1-30 DPD
16	Wadhawan Holdings Private Ltd.	118.00	1	118.00	1	3.29	-422.43	NPA

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

** The net worth is considered from the latest available financial statements of the borrower

8.2 Loan disbursed to parties with weak financials

(INR in crores)

#	Borrower	Total disbursement	No. of loans disbursed	Total outstanding	No. of loans outstanding	Paid up capital	Net worth (17-18)	Loan Status
17	Kunjbihari Developers Private Limited	108.75	4	108.75	4	0.01	-6.99	Not Due
18	Bamboo Hotel And Global Center Delhi Private Limited	70.00	1	70.00	1	1.01	44.44	NPA
19	Vinayak Ventures Private Limited	54.50	1	54.50	1	0.01	0.00	Not Due
20	RPL Aditya Power Private Limited	40.00	1	40.00	1	0.01	-2.58	Not Due
21	Nationwide Communication Private Limited	25.00	1	25.00	1	4.51	0.09	Not Due
22	Mohanbir Hi-tech Build Private Limited	23.20	2	20.44	2	0.01	-1.15	31-60 DPD
	Grand Total	4,203.88	40	3,888.59	40			

*These entities were incorporated in Nov 2018 due to which their financial details were not available in public domain

** The net worth is considered from the latest available financial statements of the borrower

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

8.3 Loans disbursed to entities recently incorporated

Observation:

We noted 12 instances where loans were disbursed to entities which were incorporated in FY 18-19 & Q1 of FY 19-20 aggregating to INR 925.00 crores. Since these entities were newly incorporated, their financial records were not available either in the loan file or in the public domain. All the borrowers were found to be potential indirectly linked entities ('PILE). **For details refer annexure 3**

(INR in crores)

#	Name of the borrower	Date of Incorporation	Date of First Disbursal of loan	Loan Amount	Number of loans	Total Outstanding	No. of loan disbursed in Q3 FY 19	No. of loan disbursed in Q4 FY 19	No. of loan disbursed in Q1 FY 20	Number of outstanding loans	Loan Status
1	Accura Productions Private Limited	27 Nov 2018	21 Jan 2019	310.00	6	310.00	-	5	1	6	Not Due
2	Celebrita Mediahouse Private Limited	27 Nov 2018	11 Mar 2019	140.00	2	140.00	-	1	1	2	Not Due
3	Edrishti Movies Private Limited	12 Nov 2018	07 Dec 2018	125.00	3	125.00	1	2	-	3	Not Due
4	Thwink Big Content Private Limited	20 Apr 2018	19 Nov 2018	350.00	1	350.00	1	-	-	1	Not Due
	Total			925.00	12	925.00	1	8	2	12	

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

8.3 Loans disbursed to entities recently incorporated

Management response:

- The end use for the said loans is given to Reliance Group:
- The same are extended taking into account the underlying strength and assets base of the respective group.
 1. RCap Group: RCap is the holding group of RCFL with significant diverse holdings across financial services space. At the time of sanctioning of the loans, RCap had Credit Rating of AA+, net worth of INR 15,207crore and asset base of INR 93,851 crore.
 2. Rinfra Group: The loans were sanctioned and disbursed taking into account the underlying security and overall recoverability of such loans. The loans were sanctioned and disbursed taking into account the underlying security and overall recoverability of such loans. In addition to charge on receivables of the Borrower, these facilities are fully recoverable pursuant to additional security by way of corporate guarantee of Rinfra which is secured by way subservient charge on its assets.
 3. Rpower Group: The loans were sanctioned and disbursed taking into account the underlying security and overall recoverability of such loans. The loans were sanctioned and disbursed taking into account the underlying security and overall recoverability of such loans. In addition to charge on receivables of the Borrower, these facilities are fully recoverable pursuant to additional security by way of corporate guarantee of Rpower which is secured by way subservient charge on its assets.
- Accordingly, while the Company has duly followed prescribed policies and procedures in granting the said loans.
- Assets of Rinfra and Rpower comprise the following:

#	Particulars	Rinfra	Rpower
1	Consolidated net worth	15,866	17,377
		Net Assets	
2	Operating SPV	2,947	10,126
3	Power Business	5,555	-
4	Other Assets	1,574	2,269
5	Arbitration/Claims	15,740	6,496
6	Standalone debt	-6,000	-1,992
	Total	19,816	16,899

Note: Management response is reproduced in full as provided by the company.

8.4 Potential anomalies in creation of charge on the security provided to RCFL

Observation:

- As per section 77(1), 78 & 79 of Companies Act, 2013, an application should be made within a period of 30 days from the date of execution of deed for registration of charge to Registrar of Companies ('ROC') along with fee in Form CHG-1. ROC may, on application by the borrower, allow the registration of charge within 300 days (30 days + additional period of 270 days).
- On review of cases which were disbursed during the review period, 12 instances were identified where charge on the assets of the borrower was not registered by the Target Entity. The total dues of 12 such instances as on 31 October 2019 was INR 766.41 crores.

(INR in crores)

#	Loan Account No.	Name of the borrower	Borrower status	Loan amount	Date of disbursement	Total Dues	Loan Status	Charge created
1	RLCSCOR000453160	Katra Phytocaam Private Limited	Others	279.85	04-Oct-18	326.02	1-30 DPD	✘
2	RLCSCOR000363385	Kunjbihari Developers Private Limited	PILE	93.75	27-Mar-18	93.75	Not DUE	✘
3	RLCSCOR000385409	Bamboo Hotel And Global Center Delhi Private Limited	Others	70.00	N.A*	70.00	NPA	✘
4	RLCSCOR000493092	Gamesa Investment Management Private Limited	PILE	50.00	N.A*	50.00	NPA	✘
5	RLCSCOR000486564	Accura Productions Private Limited	PILE	50.00	20-Feb-19	50.00	Not Due	✘
6	RLCSCOR000493097	Gamesa Investment Management Private Limited	PILE	42.00	N.A*	42.00	NPA	✘
7	RLCSCOR000485892	Accura Productions Private Limited	PILE	20.00	14-Feb-19	20.00	Not Due	✘
8	RLCSCOR000493045	Mohanbir Hi-tech Build Private Limited	PILE	15.00	10-May-19	15.53	31-60 DPD	✘
9	RLCSCOR000457873	Kunjbihari Developers Private Limited	PILE	5.00	17-Oct-18	5.00	Not Due	✘
10	RLCSCOR000459237	Kunjbihari Developers Private Limited	PILE	5.00	N.A*	5.00	Not Due	✘
11	RLCSCOR000466568	Kunjbihari Developers Private Limited	PILE	5.00	N.A*	5.00	Not Due	✘
12	RLCSCOR000453161	Katra Wilhelmsen Logistics Private Limited	Others	72.20	04-Oct-18	84.11	31-60 DPD	✘
		Total		707.80		766.41		

*Actual date of disbursement were not found in bank statements provided by target entity.

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

8.4 Potential anomalies in creation of charge on the security provided to RCFL (Contd.)

- In various instances, the charge on current assets of the borrowers was created and registered against wholesale loans given. On review, we noted that the value of the current asset, as evident from the latest available financial statements in the public domain, was less than the amount of total dues as on 31 October 2019. A total of 14 wholesale loans were disbursed to below mentioned 10 borrowers during our review period in which the value of current assets was substantially less than the total dues as on 31 Oct 2019. **For details refer annexure 4** (INR in crores)

#	Borrower		Loan amount	Charge Amount	No. of loans	Total Dues (1)	Current assets (2)	Shortfall (3) = (1) –(2)	Status
1	Tulip Advisors Private Limited	PILE	297.95	297.95	2	297.95	0.20	297.74	NPA
2	Worldcom Solutions Limited	PILE	353.03	353.03	1	353.03	67.94	285.08	Not Due
3	Perfect Spacecon Private Limited	Others	224.00	224.00	1	224.00	0.002	223.99	Not Due
4	Katra Phytocaam Pvt. Ltd.	Others	279.85	N.A*	1	326.02	63.65	216.19	1-30 DPD
5	Medybiz Private Limited	PILE	120.00	120.00	3	128.00	0.009	117.99	1-30 DPD
6	Vinayak Ventures Private Limited	PILE	54.50	54.50	1	54.50	0.02	54.47	Not Due
7	Bamboo Hotel And Global Center Delhi Private Limited	Others	70.00	N.A*	1	70.00	21.53	48.46	NPA
8	Nationwide Communication Private Limited	PILE	25.00	25.00	1	25.00	0.54	24.45	Not Due
9	Kalai Power Private Limited	PILE	260.80	257.85	2	260.80	247.33	13.56	NPA
10	Magma Consumer Finance Private Limited	Others	20.00	N.A*	1	10.00	4.27	5.72	NPA
	Grand Total		1705.13	1,332.33	14	1,749.31	405.42	1,096.43	

- Further, it was observed that the amount of charge created and registered covers only the principal component of the loans. The interest component and other charges which are levied in the event of a default were not included in the charge amount. Below mentioned are details of 36 wholesale loans having charge amount equivalent to the loan amount. **For details refer annexure 5**

Financial Year	Loan amount	Charge amount	POS	Total Dues	No. of loans
FY 17-18	647.98	647.98	647.98	647.98	5
FY 18-19	3256.55	3256.55	3256.55	3279.63	30
FY 19-20	50	50	50	50	1
Grand Total	3,954.532	3,954.532	3,954.532	3,977.61	36

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

8.4 Potential anomalies in creation of charge on the security provided to RCFL (Contd.)

- It was observed that Reliance Infrastructure Limited ('R Infra') and Reliance Power limited ('R Power') have entered into a deed of hypothecation wherein, R Infra and R Power are acting as hypothecator for loans disbursed by the Target Entity to below-mentioned entities. The obligations of the borrowers are secured by way of a subservient charge on all current assets, present and future, of R Infra and R Power pursuant to the deed of hypothecation entered between the hypothecator, RCFL and the Borrowers ("**Deed of Hypothecation**"). All the borrowers were found to be potential indirectly linked entities ("PILE").
- It is pertinent to note that these deeds were executed substantially after the disbursement of loans. (In 89% of loans the deed was executed after 6-18 months of disbursement. The Inter Creditor Agreement was signed on 6 July 2019. **For details refer annexure 6**

(INR in crores)

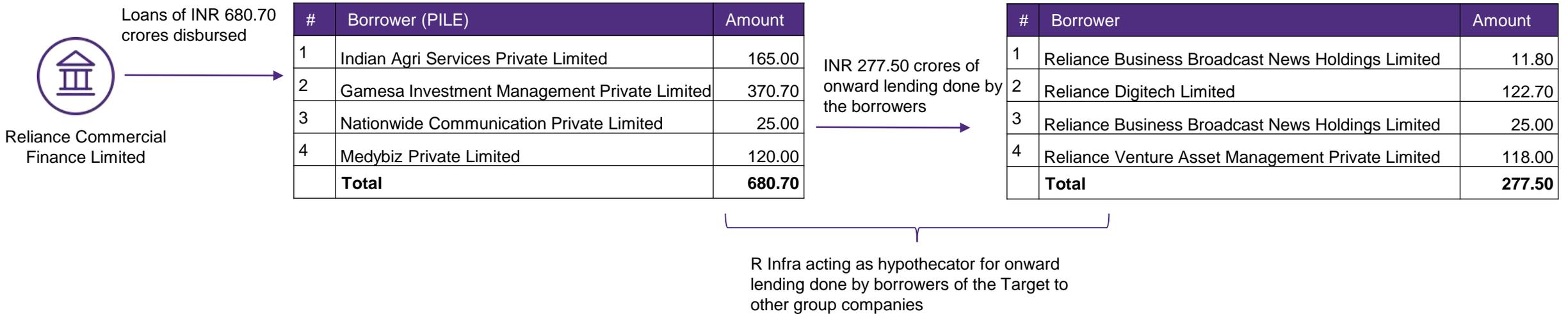
#	Name Of Borrower	No of Loans	Loan Amount	Hypothecator	Date of Deed	POS	Total Dues	Status
1	Aashish Power Plant Equipment Private Limited	2	185.00	Reliance Infrastructure Limited	08-Aug-19	185.00	185.00	NPA
2	Edrishti Movies Private Limited	3	125.00	Reliance Infrastructure Limited	06-Sep-19	125.00	125.00	Not Due
3	Hirma Power Limited	3	224.30	Reliance Infrastructure Limited	08-Aug-19	222.40	222.40	NPA
4	RPL Aditya Power Private Limited	1	40.00	Reliance Infrastructure Limited	06-Sep-19	40.00	40.00	Not Due
5	RPL Solaris Power Private Limited	2	188.00	Reliance Power Limited	09-Sep-19	188.00	188.00	NPA
6	Skyline Global Trade Private Limited	2	290.00	Reliance Infrastructure Limited	08-Aug-19	290.00	290.00	NPA
7	Species Commerce And Trade Private Limited	2	235.50	Reliance Infrastructure Limited	08-Aug-19	235.50	253.13	1-30 DPD
8	Tulip Advisors Private Limited	2	297.95	Reliance Infrastructure Limited	08-Aug-19	297.95	297.95	NPA
9	Vinayak Ventures Private Limited	1	54.50	Reliance Infrastructure Limited	08-Aug-19	54.50	54.50	Not Due
10	Worldcom Solutions Limited	1	353.03	Reliance Infrastructure Limited	08-Aug-19	353.03	353.03	Not Due
	Total	19	1,993.28			1,991.38	2,009.02	

#	Range in months	No. of loans	Amount disbursed
1	3-6	2	407.53
2	6-9	5	369.30
3	9-12	2	161.50
4	12-15	3	98.10
5	15-18	7	954.95
	Total	19	1993.28

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

8.4 Potential anomalies in creation of charge on the security provided to RCFL (Contd.)

- Further, in 4 instances it was observed that Reliance Infrastructure Limited ('R Infra') has entered into a deed of hypothecation wherein, R Infra is acting as hypothecator for existing borrowers of the Target Entity who have entered into onward lending of loans to group companies of the Target. The obligations of the group companies of the Target are secured by way of a subservient charge on all current assets, present and future, of R Infra pursuant to the deed of hypothecation entered between the hypothecator, borrowers of the Target and group companies/related parties of the Target. ("**Deed of Hypothecation**")
- All the borrowers were found to be potential indirectly linked entities ('PILE'). (INR in crores)



#	Name Of Borrower	No of Loans	Loan Amount	Date of Deed	Total Dues	Loan Status
1	Indian Agri Services Private Limited	2	165.00	06-Sep-19	30.00	NPA
2	Gamesa Investment Management Private Limited	4	370.70	17-Sep-19	122.70	NPA
3	Nationwide Communication Private Limited	1	25.00	06-Sep-19	25.00	Not Due
4	Medybiz Private Limited	3	120	06-Sep-19	128.00	1-30 DPD
	Total	4	680.70		305.70	

Note: For nature of relationship for potential indirectly linked entities, please refer exhibit 1A & 1B

Details of onward lending entered into by the borrowers as provided by the Target Entity

8.4 Potential anomalies in creation of charge on the security provided to RCFL (Contd.)

Management response:

1. Deed of Hypothecation have been executed in all the loans, however, the filing of charges with RoC in few cases were pending, which has been followed up with Borrowers on regular basis.
2. It is clarified that the charge on current assets includes all present as well as future receivables and other current assets of the Borrower fully cover the Company's entire exposure to the Borrower.
3. As per common practice the Charges have been filed towards the Principal amount only however the deed of hypothecation covers the entire outstanding dues from the borrowers.

Note: Management response is reproduced in full as provided by the company.

Anomalies identified during loan file review

9.1 Income verification documents not obtained

Observation:

- As per the discussion with the representative of the target entity, it was informed that the credit assessment department verifies the financial statements and Income Tax Returns (ITR) to ascertain the credit worthiness and repayment capacity of the loan applicant.
- We noted 32 instances where financial statements and Income Tax Returns (ITR) were not found aggregating to INR 1,991.255 crores. **For details refer annexure 7**

(INR in crores)

#	Name of the Borrower	Amount	No. of Loan Disbursed	Financials Obtained	ITR Obtained
1	Accura Productions Pvt Ltd	310.00	6	X	X
2	Celebrita Media House Private Limited	140.00	2	X	X
3	D B Realty Limited	107.05	1	X	X
4	Dream Warriors Pictures	29.00	6	X	X
5	Edrishti Movies Pvt. Ltd	125.00	3	X	X
6	Kanika Investment Ltd.	5.00	3	X	X
7	Katra Wilhelmsen Logistics Private Limited	72.20	1	X	X
8	Magma Consumer Finance Private Limited	20.00	1	X	X
9	Mahina Mercantile Credits Limited	59.00	1	X	X
10	NVR Cinema LLP	4.00	1	X	✓
11	Plan Studio LLP	10.00	1	X	X
12	Rohit Shetty Pictures LLP	2.00	1	X	X
13	RPL solaris power plant private limited	188.00	2	X	X
14	Sistema Shyam Teleservices Limited	570.00	2	X	X
15	Thwink Big Content private limited	350.00	1	X	X
	Total	1,991.25	32		

9.2 Borrowers having similar contact numbers

Observation:

We noted 17 instances where contact details of the borrowers as mentioned in the Finnone appear to be similar which indicates that these entities might be potentially indirectly linked. We noted a total of 7 of such entities to whom 7 loans were disbursed during our review period aggregating to INR 2,383.91 crores. **For details refer annexure 8**

(INR in crores)

#	Contact Number	No. of Loan Disbursed	Amount	No. of Borrowers	Public domain search of provided contact number
1	33031000	9	1205.51	5	Basis a public domain search it appears that the contact number belongs to Reliance Capital Limited, parent company of the Target Entity
2	9810867224	8	1178.40	2	Basis a public domain search it appears that the contact number belongs to Crest Engineers Private Limited
	Total	17	2,383.91	7	

9.3 Borrowers having incorrect contact numbers

Observation:

We noted 112 instances where contact details of the borrower of Wholesale Loan appear to be invalid or were belonging to the entities other than the borrowing entity. We noted 51 such entities to whom loans were disbursed during our review period aggregating to INR 9,167.37 crores. **For details refer annexure 9**

(INR in crores)

#	Contact Number	No. of Loan Disbursed	Amount	No. of Borrowers	Name of the borrower	Public domain search of provided contact number
1	2692231	2	283.00	1	Skil Shipyard Holding Limited	Invalid Number
2	4254215	1	9.96	1	Plan Studio LLP	Number does not belongs to any of the directors of Plan Studio LLP
3	4812500	2	570.00	1	Sistema Shyam Teleservices Limited	Contact Number does not belong to Sistema Shyam Teleservices Limited
4	6235214	4	240.00	1	Accura Productions Pvt Ltd	Invalid Number
5	30999999	4	108.75	1	Kunjbihari Developers Private Limited	Contact Number belongs to Kokilaben Ambani
6	33031101	1	59.00	1	Mahina Mercantile Credits Limited	Invalid Number
7	33031567	7	720.00	1	Indian Agri Services Pvt Ltd.	Invalid Number
8	33033514	2	346.46	1	Summit Ceminfra Private Limited	Invalid Number
9	45825412	4	461.24	1	Reliance Cleagean Limited	Invalid Number
10	45825412	2	266.12	1	Reliance Cleangen limited	Invalid Number
11	51323654	3	125.00	1	Edrishti Movies Pvt. Ltd	Invalid Number
12	52412536	1	98.02	1	Skil Infrastructure Limited	Invalid Number
13	85412563	1	72.20	1	Katra Wilhelmsen Logistics Private Limited	Invalid Number
14	441234567	1	12.75	1	Hamsini Foundations Private Limited	Invalid Number
15	524525253	1	246.83	1	Reliance Big Entertainment private limited	Invalid Number
16	1140521562	1	1.98	1	Mani Bhavnam Home Finance Pvt Ltd	Invalid Number
17	1143518888	1	27.64	1	Nupur Invest Pvt. Ltd.	Invalid Number
18	2240770777	1	260.00	1	Deep Industrial Finance Ltd.	Contact Number belongs to V.B.Desai & Associates
19	2240778600	3	231.66	1	Goregaon Hotel & Realty Pvt. Ltd	Invalid Number
20	2262332506	2	225.00	1	IMAGINE ESTATE PRIVATE LIMITED	Invalid Number
21	2267748000	1	117.95	1	Wadhawan Holdings Private Ltd.	Invalid Number
22	4072403890	1	25.00	1	Nationwide Communication Private Limited	Invalid Number
23	8041808000	1	279.85	1	Katra Phytocaam Pvt. Ltd.	Invalid Number
24	8826878181	3	3.98	1	Kanika Investment Ltd.	Invalid Number

9.3 Borrowers having incorrect contact numbers (Contd.)

Observation: Borrowers having incorrect contact numbers

(INR in crores)

#	Contact Number	No. of Loan Disbursed	Amount	No. of Borrowers	Name of the borrower	Public domain search of provided contact number
25	9003092205	6	28.75	1	Dream Warriors Pictures	Invalid Number
26	9313490506	1	15.00	1	Alfa Exim Private Limited	Contact Number Does not belong to any of the directors of Company
27	9619848518	1	125.00	1	RAB Enterprises (India) Private Limited	Contact Number does not belong to any of the directors of RAB enterprise Indian Private Limited. Furthermore it belongs to Ms.Rutva Oza Secretary of (Mr. Rana Kapoor)
28	9652563215	1	40.00	1	RPL Aditya power private limited	Number does not belongs to any of the directors of Plan Studio LLP
29	9685326598	1	1.98	1	Rohit Shetty Pictures LLP	Number does not belongs to any of the directors of Plan Studio LLP
30	9810832996	3	32.76	1	Square Yards consulting Pvt Ltd	Invalid Number
31	9819758545	5	308.20	1	Mohanbir Hi-Tech build Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
32	9820124222	3	120.00	1	Medybiz Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
33	9820400844	1	260.00	1	Vishwakarma Equipment	Invalid Number
34	9829016366	2	7.19	1	Laxmi India Finleaseap Private Limited	Invalid Number
35	9841585050	1	3.95	1	Prince Pictures	Number does not belongs to any of the directors of Plan Studio LLP
36	9845123698	1	350.00	1	Thwink Big Content private limited	Number does not belongs to any of the directors of Plan Studio LLP
37	9845452445	3	382.67	1	Netizen Engineering Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
38	9867451000	11	514.04	1	Adhar Project Management and Consultancy Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
39	9869123555	3	332.98	1	Species Commerce and Trade Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
40	9874123658	1	353.03	1	Worldcom solutions limited	Number does not belongs to any of the directors of Plan Studio LLP
41	9874125663	2	140.00	1	Celebrita Media House Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
42	9874125896	2	280.00	1	Valuecorp Securities and Fiance Limited	Number does not belongs to any of the directors of Plan Studio LLP
43	9874512454	4	150.00	1	Reliance Broadcast Network Limited	Invalid Number
44	9874561100	1	224.00	1	Perfect Spacecon Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
45	9875451222	1	54.50	1	Vinayak Ventures Private Limited	Contact Number Does not belong to any of the directors of Company
46	9875451252	2	17.60	1	Munish Financial	Contact Number Does not belong to any of the directors of Company
47	9876123450	2	182.82	1	Aashish Power Plant Equipment Private Limited	Number does not belongs to any of the directors of Plan Studio LLP
48	9876543456	1	195.00	1	Sahayadri Food Processing Pvt Ltd	Contact Number Does not belong to any of the directors of Company
49	9892550070	1	250.00	1	MIG(Bandra) Realtors & Builder Pvt. Ltd	Invalid Number

9.3 Borrowers having incorrect contact numbers (Contd.)

Observation:

(INR in crores)

#	Contact Number	No. of Loan Disbursed	Amount	No. of Borrowers	Name of the borrower	Public domain search of provided contact number
50	9892550070	1	250.00	1	MIG(Bandra) Realtors & Builder Pvt. Ltd	Invalid Number
51	9948620077	1	4.00	1	NVR Cinema LLP	Contact Number Does not belong to any of the directors of Company
		112	9167.37	51	Total	

9.4 Borrowers having common email address

Observation:

Borrowers having similar e-mail address

We noted 59 instances where e-mail addresses of the borrower of corporate loans appear to be common. In one instance, it appears that 5 borrowers whose e-mail addresses as per MCA records were common, indicating that these entities might be potentially indirectly linked. We noted a total of 22 such entities to whom 59 loans were disbursed during our review period aggregating to INR 5,666.65 crores. **For details refer annexure 10**

(INR in crores)

#	Registered E-mail Address as per MCA records	Amount	No. of Loan Disbursed	No. of Borrowers
1	adhar.project@gmail.com	1192.94	20	3
2	anuragmathur2006@gmail.com	380.00	7	2
3	jignesh.shah@dbg.co.in	357.05	2	2
4	Mcafiling.kh@relianceada.com	148.75	5	2
5	rabgroupcompanies@gmail.com	350.00	3	2
6	rocsecpmt@gmail.com	419.00	2	2
7	rpower.mcafiling@relianceada.com	985.21	8	2
8	skil@skilgroup.co.in	471.02	5	2
9	vijayakar@vbdesai.com	1362.67	7	5
	Total	5,666.65	59	22

9.5 CA certified end use certificate not provided for our review

Observation:

As per the relevant clause of the loan facility agreement the borrower has to submit quarterly status reports certified by Chartered Accountants on utilization of the credit facility/business entities offered/financed by availing the credit facility hereunder by the borrower. In 204 instances the status report certified by Chartered Accountants was not available. The total dues as on 31 October 2019 for these instances aggregating to 4,939.53 crores. **For details refer annexure11**

(INR in crores)

#	Name of Borrower	No. of loans disbursed	Loan Amount	Total dues
1	Aashish Power Plant Equipment Private Limited	2	185.00	185.00
2	Accura Productions Private Limited	6	310.00	310.00
3	Adhar Project Management And Consultancy Private Limited	12	665.18	65.08
4	Alfa Exim Private Limited	1	15.00	0.00
5	Asian Business Connections Private Limited	3	96.00	96.00
6	Bamboo Hotel And Global Centre Delhi Private Limited	7	90.11	90.11
7	Celebrita Mediahouse Private Limited	2	140.00	140.00
8	Coastal Projects Limited	1	5.10	0.00
9	Crest Logistics And Engineers Private Limited	7	1,076.90	286.90
10	D B Realty Limited	1	107.05	107.05
11	D S Integrated Finsec Pvt Ltd	1	1.50	0.61
12	Deep Industrial Finance Limited	1	265.20	0.00
13	Dream Warrior Pictures	9	40.00	0.00
14	Edrishti Movies Private Limited	3	125.00	125.00
15	Gamesa Investment Management Private Limited	4	370.70	122.70

9.5 CA certified end use certificate not obtained (Contd.)

#	Name of Borrower	No. of loans disbursed	Loan Amount	Total dues
16	Golden Beach Infracon Private Limited	2	297.00	297.00
17	Goregaon Hotel And Realty Private Limited	3	231.72	125.98
18	Hamsini Foundations Private Limited	1	12.75	0.00
19	Hirma Power Limited	5	424.30	222.40
20	Imagine Estate Private Limited	2	225.00	0.00
21	Indian Agri Services Private Limited	10	1,100.00	30.00
22	Jayamkondam Power Limited	3	590.00	0.00
23	Kalai Power Private Limited	2	260.80	260.80
24	Kanika Investment Ltd	3	5.00	0.00
25	Katra Phytochem India Private Limited	1	279.85	326.02
26	Katra Wilhelmsen Logistics Private Limited	1	72.20	84.11
27	Kunjbihari Developers Private Limited	4	108.75	108.75
28	Laxmi India Finleasecap Private Limited	2	7.50	0.00
29	Magma Consumer Finance Private Limited	1	20.00	10.00
30	Mahimna Mercantile Credits Limited	5	295.00	0.00
31	Mani Bhavnam Home Finance India Private Limited	1	2.00	0.63
32	Medybiz Private Limited	3	120.00	128.00
33	Mig Bandra Realtors And Builders Private Limited	1	250.00	0.00
34	Mohanbir Hi Tech Build Private Limited	5	308.20	20.98
35	Munish Financial	2	17.60	11.60
36	Nationwide Communication Private Limited	1	25.00	25.00
37	Neelkamal Shantinagar Properties Private Limited	1	240.00	0.00
38	Neptune Steel Strips Limited	1	290.81	0.00

9.5 CA certified end use certificate not obtained (Contd.)

#	Name of Borrower	No. of loans disbursed	Loan Amount	Total dues
39	Netizen Engineering Private Limited	3	382.67	0.00
40	Nupur Finvest Private Limited	1	27.63	0.00
41	Nvr Cinema Llp	4	13.00	0.00
42	Pearl Housing Finance India Limited	1	265.20	0.00
43	Perfect Spacecon Private Limited	1	224.00	224.00
44	Plan C Studios Llp	1	10.00	0.00
45	Prince Pictures	7	16.00	0.00
46	Rab Enterprises India Private Limited	1	125.00	0.00
47	Radiant Hues Crm Solutions Private Limited	1	1.00	0.00
48	Reliance Big Entertainment Private Limited	1	246.83	246.83
49	Reliance Broadcast Network Limited	5	165.00	33.50
50	Reliance Cleangen Limited	5	540.49	270.49
51	Reliance Hr Services Private Limited	4	279.91	0.00
52	Rohit Shetty Picturez Llp	22	66.50	0.00
53	Rpl Aditya Power Private Limited	1	40.00	40.00
54	Rpl Solaris Power Private Limited	2	188.00	188.00
55	Sahyadri Food Processing Private Limited	1	195.00	195.00
56	Shriyam Auto Fin Limited	2	307.87	0.00
57	Sistema Shyam Teleservices Limited	1	285.00	0.00
58	Skil Infrastructure Limited	3	188.02	0.00
59	Skil Shipyard Holdings Private Limited	2	283.00	0.00
60	Skyline Global Trade Private Limited	6	780.00	290.00
61	Species Commerce And Trade Private Limited	4	435.50	253.13
62	Square Yards Consulting Private Limited	5	60.00	18.80
	Total	204	13,801.86	4,939.53

9.5 CA certified end use certificate not obtained (Contd.)

Management Response

1. All loan files have audited financials of the respective borrowers, without the financials no loans have not been assessed and disbursed.
2. As per our credit policy for wholesale loan, if the audited financials are not available than we take the ITR else it's not required
3. As part of the process, contact details of the contact person in the borrowing entity is captured. In some of the cases, the contact persons have provided their individual mobile numbers. In the some of the cases the contact details would on account of change in contact details from the time the facility was sanctioned or clerical errors at the time of data entry.
4. While all these entities do not fall under the definition of Related Parties as well as Company under the same management as defined under Section 371 (1B) of the Companies Act, 1956, these entities may be operating under the same infrastructure/domain, hence, the common email address.
5. The sanction letter demands borrower to provide end use details, which borrowers have to provide on their letter head of their company, which have been collected and part of the loan file.

Note: Management response is reproduced in full as provided by the company.

End use of funds

10.1 End Use of Funds – Equity Share Capital

Overview of Equity share capital infusions and its end utilisation

(INR in Crores)

Sr. No	Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
A	<u>Equity Share Capital Infusion</u>				
	Reliance Capital Limited	400.00	-	-	400.00
	Total (A)	400.00	-	-	400.00
B	<u>End use of funds</u>				
1	Reliance Capital Limited	118.42	-	-	118.42
2	Reliance Alpha Services Private Limited	256.33	-	-	256.33
3	Reliance Value Services Private Limited	25.25	-	-	25.25
	Total (B)	400.00	-	-	400.00

For transaction wise details, please refer Annexure 12

10.2 End Use of Funds – Term Loans

Overview of term loans details extended to the Target Entity during our Review Period

On review of the books of accounts and details as provided by the Target Entity and respective banks, we noted that total of INR 3,201 crores of term loans were extended to the Target Entity during our review period. Bank wise summary of term loans disbursement is provided below:

(INR in Crores)

Bank Name	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
AU Small Finance Bank Limited	50.00	-	-	50.00
Axis Bank	-	-	20.00	20.00
Bank of Bahrain & Kuwait B.S.C.	55.00	-	-	55.00
Bank of India	200.00	-	90.00	290.00
Central Bank of India	500.00	-	-	500.00
HDFC Bank Limited	350.00	-	16.00	366.00
IDFC Bank Limited	60.00	-	-	60.00
IndusInd Bank Limited	-	500.00	-	500.00
National Bank for Agriculture and Rural Development	500.00	750.00	-	1,250.00
State Bank of India	-	-	60.00	60.00
The Catholic Syrian Bank Limited	50.00	-	-	50.00
Total	1765.00	1250.00	186.00	3201.00

10.2 End Use of Funds – Term Loans (Contd.)

End utilisation summary of term loans extended to the Target Entity:

(INR in Crores)

Bank Name	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Disbursement	1765.00	1250.00	186.00	3,201.00
Utilisation				
Payment to potentially indirectly linked entities	60.00	356.74		416.74
RPL Solaris Power Private Limited	-	124.51	-	124.51
Hirma Power Limited	-	74.12	-	74.12
Crest Logistics & Engineers Private Limited	60.00	69.17	-	129.17
Skyline Global Trade Private Limited	-	88.94	-	88.94
Investment in mutual funds*	1355.00	850.00	-	2,205.00
Reliance Liquid Fund	1305.00	350.00	-	1,655.00
DHFL Pramerica Mutual Fund	50.00	-	-	50.00
HSBC Cash Fund	-	350.00	-	350.00
UTI Liquid Fund	-	150.00	-	150.00
Others				
Utilisation towards CC facility			170.00	170.00
Principal repayment of term loan	100.00	16.67	-	116.67
Payment of term loan interest	65.00	1.03	-	66.03
Payment to DB Reality Limited	-	0.14	-	0.14
Onward lending for business purpose	50.00	14.94	-	64.94
Miscellaneous debits	-	0.98	0.07	1.05
Narration not ascertainable		9.50	15.93	25.43
Statement not available	135.00		-	135.00
Total	1765.00	1250.00	186.00	3,201.00

For transaction wise details, please refer Exhibit 2 and Annexure 13 to 27

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

10.3 End Use of Funds – Secured Debentures

End utilisation summary of secured debentures issued by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Infusion	2824.00	560.80		3384.80
Utilisation				
Payment to potentially indirectly linked entities	1568.68			1568.68
Deep Industrial Finance Limited	260.00			260.00
Pearl Housing Finance Limited	260.00			260.00
Vishvakarma Equipment Finance Limited	260.00			260.00
Traitrya Construction Finance Limited	260.00			260.00
Kalai Power Private Limited	247.05			247.05
Crest Logistics and Engineers Private Limited	197.64			197.64
Aashish Power Plant Equipment Limited	83.99			83.99
Investment in mutual funds*	989.00	560.80		1549.80
Reliance Liquid Mutual Fund	989.00	560.80		1549.80
Others				
Onward lending to Shriyam Auto Finance Private Limited	260.00			260.00
Other Miscellaneous debits	6.32			6.32
Total	2824.00	560.80		3384.80

For transaction wise details, please refer Exhibit 3 and Annexure 28

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

10.4 End Use of Funds – Secured Debentures - MLD

End utilisation summary of secured debentures (MLD) issued by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Infusion	-	64.77	-	64.77
Investment in mutual funds*	-	11.84	-	11.84
Reliance Mutual Fund	-	7.96	-	7.96
HSBC Cash Fund	-	3.88	-	3.88
Others				
Onward lending to Emmvee Photovol Taic Private Limited	-	7.61	-	7.61
Term loan principal repayment	-	15.54	-	15.54
Onward lending for business purpose	-	10.92	-	10.92
Other miscellaneous debits	-	0.14	-	0.14
Narration not ascertainable	-	18.72	-	18.72
Total	-	64.77	-	64.77

For transaction wise details, please refer Exhibit 4 and Annexure 29

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

10.5 End Use of Funds – Unsecured Debentures

End utilisation summary of unsecured debentures issued by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Infusion	81.00	-	-	81.00
Investment in mutual funds*	75.00	-	-	75.00
Reliance Mutual Fund	75.00	-	-	75.00
Others				
Term loan principal repayment	6.00	-	-	6.00
Total	81.00	-	-	81.00

For transaction wise details, please refer Exhibit 5 and Annexure 30

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

10.6 End Use of Funds – Commercial Papers

End utilisation summary of commercial papers issued by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Infusion	5,240.12	1,982.16		7,222.28
Utilisation				
Payment to potentially indirectly linked entities	137.96	421.47		559.43
Summit CemInfra Private Limited		296.46		296.46
Species and Commerce Private Limited		125.01		125.01
Aashish Power Plant Equipment Private Limited	98.12			98.12
Reliance Cleangen Limited	39.84			38.94
Investment in mutual funds*	4,984.49	676.07		5,660.56
Reliance Mutual Fund	4091.02	226.07		4317.09
HSBC Mutual Fund		450.00		450.00
SBI Mutual Fund	280.00			280.00
UTI Mutual Fund	263.47			263.47
DSP Blackrock Mutual Fund	200.00			200.00
Invesco Mutual Fund	100.00			100.00
Pearless Liquid Fund	50.00			50.00
Others				
Maturity of Commercial Papers		564.31		564.31
Repayment of Term Loan		184.55		184.55
Onward lending for business purpose	29.40	69.47		98.87
Repayment of ICD	88.27			88.27
Paid to Aadhar Housing Finance Limited		49.83		49.83
Narration not ascertainable		16.46		16.46
Total	5,240.12	1,982.16		7,222.28

For transaction wise details, please refer Exhibit 6 and Annexure 31

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

10.7 End use of funds - Inter-Corporate Deposit

End utilisation summary of inter corporate deposits received by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY2019-20 Q1	Total
Infusion	892.00	426.19	379.09	1,697.28
Investment in mutual funds*		310.00	365.00	675.00
Reliance Mutual Fund		310.00	365.00	675.00
Others				
Maturity of Commercial Papers	350.00			350.00
Periodic payment against securitisation of assets		60.00	14.09	74.09
Repayment of Term Loan	68.00	40.00		108.00
Repayment of Inter-Corporate deposit		16.19		16.19
Onward lending for business purpose	32.00			32.00
ICD acquired on Demerger from Reliance Media Works Limited	442.00			442.00
Total	892.00	426.19	379.09	1,697.28

For transaction wise details, please refer Exhibit 7 and Annexure 32

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

End use of securitisation

11. End Use of Funds - Debt Securitisation

End utilisation summary of debt securitisation by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY2019-20 Q1	Total
Infusion	1,615.74	2,421.67	203.86	4,241.27
Utilisation				
Payment to potentially indirectly linked entities/group entities		484.64		484.64
Zapak Digital Entertainment Private Limited		300.00		300.00
Accura Productions Private Limited		89.64		89.64
Netizen Engineering Private Limited		50.00		50.00
Edrishti Movies Private Limited		40.00		40.00
Kunjbihari Developers Private Limited		5.00		5.00
Investment in mutual funds*	1483.27	782.45	47.70	2313.42
Reliance Mutual Fund	887.91	782.45	47.70	1718.06
SBI Mutual Fund	245.36			245.36
Invesco Mutual Fund	200.00			200.00
L&T Mutual Fund	100.00			100.00
Franklin Templeton Mutual Fund	50.00			50.00
Others				
Paid to Reliance Capital Trustee Co Limited		539.42		539.42
Repayment of Term Loan		38.84	154.54	193.38
Inter-Corporate deposit given		200.00		200.00
Investment in Security receipts	82.13			82.13
Onward lending for business purpose	50.34	25.02		75.36
Miscellaneous debits		2.35		2.35
Bank Statements not available		328.94		328.94
Narration not ascertainable		20.00	1.62	21.62
Total	1,615.74	2,421.67	203.86	4,241.27

For transaction wise details, please refer Exhibit 8 and Annexure 33

*Note: We have identified source of wholesale loans disbursed by the Target entity during our Review Period which includes wholesale loans disbursed from redemption of mutual funds. Refer section 12 for further details.

Source of wholesale loans

12.1 Source of wholesale loans disbursed

Source of wholesale loans issued by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Wholesale loans disbursed	8,586.38	8,175.57	253.87	17,015.82
Source				
Receipt from potentially indirectly linked entities/group entities	705.20	1,637.93		2343.19
Jayamkondam Power Limited		353.03		353.03
Neptune Steel Strips Private Limited		280.00		280.00
Crest Logistics And Engineers Private Limited	226.17			226.17
Reliance Big Entertainment Private Limited	201.25			201.25
Reliance Cleangen Limited		198.61		198.61
Adhar Project Management And Consultancy Private Limited		188.33		188.33
Indian Agri Services Private Limited		185.37		185.37
Reliance Capital Limited		150.00		150.00
Reliance Digitech Private Limited	122.53			122.53
Reliance Broadcast Networks Limited	61.50	54.50		116.00
Hirma Power Limited		107.97		107.97
Kunjbihari Developers Private Limited	93.75			93.75
Netizen Engineering Private Limited		69.88		69.88
Mohanbir Hi-tech Build Private Limited		40.00		40.00
Kalai Power Limited		10.24		10.24
Other entities	869.88	966.09	50.00	1885.97
Mahimna Mercantile Credits Private Limited	276.00			276.00
Imagine Estate Private Limited	125.00	150.00		275.00
Oceanmint Buildcon Private Limited	257.03			257.03
Skil Shipyard Holdings Private Limited		243.00		243.00
RAB Enterprises(india) Private Limited		225.00		225.00
Indiabulls Distribution Services India Limited	209.62			209.62
DB Realty		199.09		199.09
Magma Fincorp Limited		70.00		70.00

12.1 Source of wholesale loans disbursed (Contd.)

Source of wholesale loans issued by the Target Entity

(INR in Crores)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (Q1)	Total
Neelkamal Shantinagar Properties Private Limited		50.00		50.00
Ayken Mining Private Limited			50.00	50.00
Verticle Infracon Private Limited		29.00		29.00
Dream Warrior Pictures	2.23			2.23
Redemption of mutual funds*	3,970.40	3,614.71	81.51	7,666.62
Reliance Mutual Fund	3,461.94	2,583.08	81.51	6,126.53
HSBC Mutual Fund		1,031.63		1,031.63
Invesco Mutual Fund	240.51			240.51
ICICI Prudential Mutual Fund	150.59			150.59
SBI Mutual Fund	100.91			100.91
Birla Mutual Fund	10.03			10.03
Axis Mutual Fund	6.42			6.42
Others				
Issue of Debentures	1,828.69	-		1,828.69
Issue of Commercial Papers	98.82	421.47		560.13
Collection from loan parties	76.05	304.32	114.36	494.73
Securitisation		484.64		484.64
Repayment of Term Loan		356.74		356.74
Market Linked Debentures		1.98		1.98
Loan renewed	495.39	-		495.39
Statement not available	6.26	387.68	8.00	401.94
Entry not found	346.40	-		346.40
Loan re-booked to extended tenure	143.02	-		143.02
Narration not ascertainable	6.43	-		6.43
Total	8,586.38	8,175.57	253.87	17,015.82

12.2 Summary - Investment and Redemption of Mutual Fund

Investment in mutual funds out of total infusion of funds in the Target Entity during our Review Period

(INR in Crores)

Sr No	Particulars	Total Infusion	Investment in Mutual Funds	% of investment in mutual funds
I.	Equity Share Capital	400.00	-	-
II.	Term loan	3,201.00	2,205.00	68.89
III.	Debentures	3,530.57	1,636.64	46.36
IV.	Commercial Papers	7,222.28	5,660.56	78.38
V.	Inter-corporate deposits	1,697.28	675.00	39.77
	Total	16,051.13	10,177.20	63.40

Redemption of mutual funds utilised for disbursement of wholesale loans during our Review Period

(INR in Crores)

Sr No	Particulars	Total disbursement	Source from redemption of mutual funds	% of source from mutual funds
I.	Wholesale Loans	17,015.82	7,666.62	45.05

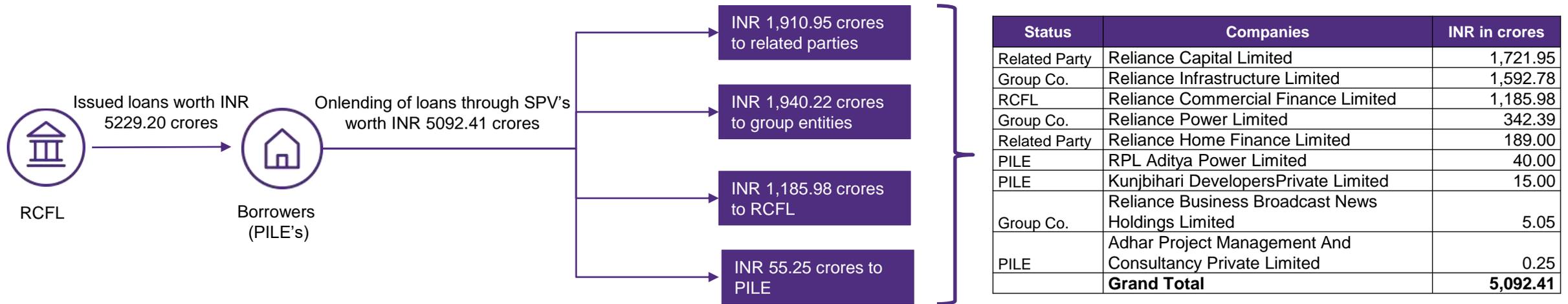
End use of wholesale loans disbursed to borrowers

13. End use of loan disbursed to borrowers (Provided by the Target Entity)

Observation:

We were provided with the details of the end utilization of the wholesale loans by the Target Entity.

- During our review period, the Target Entity has issued general purpose wholesale loans to 26 borrowers, aggregating to INR 5,229.20 crores, who have undertaken onward lending transactions to other companies. These companies, in turn, advanced these loans to Reliance Capital Limited ('RCL'), Reliance Commercial Finance Limited ('RCFL'), Reliance Infrastructure Limited ('Rinfra'), Reliance Home Finance Limited ('RHFL'), entities belonging to ADAG group and other entities. A summary of such transactions is presented below.
- It appears that such an approach may have been used by the Target Entity to circumvent the regulatory ceilings of credit exposure to single borrower of 15% and to group borrowers of 20% of capital funds and disclosure of such transactions in financial statements as per IND AS 24 - Related Party Disclosures, notified under section 133 of Companies Act 2013.
- Loan Account Number ('LAN') wise details is presented over next slides.



13. End use of loan disbursed to borrowers (Contd.)

Inadequate supporting documents
Provided by the Target Entity

Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Remark
1	RLCSCOR000359994	Aashish Power Plant Equipment	15 Mar 2018	84.00	Crest Logistics And Engineers Private Limited	84.00	Reliance Infrastructure Limited	84.12			Reliance Infrastructure Limited
2	RLCSCOR000362050	Aashish Power Plant Equipment	23 Mar 2018	98.82	Crest Logistics And Engineers Private Limited	98.80	Reliance Infrastructure Limited	98.79			Reliance Infrastructure Limited
3	RLCSCOR000486049	Adhar Project Management And Consultancy Private Limited	15 Feb 2019	20.00	Reliance Capital Limited	11.00		-			Reliance Capital Limited
					Reliance Home Finance Limited	9.00		-		Reliance Home Finance Limited	
4	RLCSCOR000367767	Crest Logistics And Engineers Private Limited	12 Apr 2018	197.64	Reliance Infrastructure Limited	197.64		-			Reliance Infrastructure Limited
5	RLCSCOR000370746	Crest Logistics And Engineers Private Limited	25 Apr 2018	16.90	Reliance Commercial Finance Limited	15.45		-			Reliance Commercial Finance Limited
6	RLCSCOR000372607	Crest Logistics And Engineers Private Limited	30 Apr 2018	69.17	Reliance Infrastructure Limited	69.17		-			Reliance Infrastructure Limited
7	RLCSCOR000480272	Edrishti Movies Private Limited	07 Dec 2018	35.00	Reliance Big Entertainment Private Limited	35.00	Reliance Capital Limited	35.00			Reliance Capital Limited
8	RLCSCOR000366245	Gamesa Investment Management Private Limited	31 Mar 2018	78.70	Reliance Digitech Limited	78.70	Reliance Commercial Finance Limited	78.70		-	Reliance Commercial Finance Limited
9	RLCSCOR000444055	Gamesa Investment Management Private Limited	24 Sep 2018	200.00	Reliance Capital Limited	200.00		-		-	Reliance Capital Limited
10	RLCSCOR000372596	Hirma Power Limited	30 Apr 2018	74.12	Crest Logistics And Engineers Private Limited	73.65	Reliance Infrastructure Limited	73.65		-	Reliance Infrastructure Limited

13. End use of loan disbursed to borrowers (Contd.)

Inadequate supporting documents
Provided by the Target Entity

Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Remark
11	RLCSCOR000389438	Hirma Power Limited	22 Jun 2018	18.78	Crest Logistics And Engineers Private Limited	18.77	Reliance Infrastructure Limited	18.77		-	Reliance Infrastructure Limited
12	RLCSCOR000482632	Hirma Power Limited	11 Jan 2019	129.16	Reliance Commercial Finance Limited	128.20		-		-	Reliance Commercial Finance Limited
13	RLCSCOR000474218	Indian Agri Services Private Limited	19 Nov 2018	135.00	Reliance Digitech Limited	135.00	Reliance Capital Limited	135.00		-	Reliance Capital Limited
14	RLCSCOR000481295	Indian Agri Services Private Limited	21 Dec 2018	105.00	Mohanbir Hi-Tech Private Limited	105.00	Reliance Venture Asset Management	69.00	Reliance Capital Limited	69.00	Reliance Capital Limited
15	RLCSCOR000482013	Indian Agri Services Private Limited	03 Jan 2019	30.00	Reliance Home Finance Limited	30.00		-		-	Reliance Home Finance Limited
16	RLCSCOR000359993	Kalai Power Private Limited	15 Mar 2018	247.05	Reliance Power Limited	238.00		-		-	Reliance Power Limited
17	RLCSCOR000370748	Kalai Power Private Limited	25 Apr 2018	10.80	Reliance Commercial Finance Limited	9.86		-		-	Reliance Commercial Finance Limited
					Reliance Commercial Finance Limited	1.41		-		-	Reliance Commercial Finance Limited
18	RLCSCOR000450629	Medybiz Private Limited	29 Sep 2018	70.00	Reliance Home Finance Limited	70.00		-		-	Reliance Home Finance Limited
19	RLCSCOR000450631	Medybiz Private Limited	01 Oct 2018	10.00	Reliance Capital Limited	10.00		-		-	Reliance Capital Limited
20	RLCSCOR000461289	Medybiz Private Limited	25 Oct 2018	40.00	Reliance Home Finance Limited	40.00		-		-	Reliance Home Finance Limited

13. End use of loan disbursed to borrowers (Contd.)

Inadequate supporting documents
Provided by the Target Entity

Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Remark
21	RLCSCOR000403123	Reliance Cleangen Limited	23 Jul 2018	208.65	Kalai Power Private Limited	10.24	Reliance Commercial Finance Limited	10.24			- Reliance Commercial Finance Limited
					Reliance Commercial Finance Limited	198.62				- Reliance Commercial Finance Limited	
22	RLCSCOR000482905	Reliance Cleangen Limited	16 Jan 2019	57.27	Kalai Power Private Limited	15.42	Reliance Commercial Finance Limited	15.42			- Reliance Commercial Finance Limited
					Reliance Commercial Finance Limited	41.85				- Reliance Commercial Finance Limited	
23	RLCSCOR000372609	RPL Solaris Power Private Limited .	30 Apr 2018	124.51	Crest Logistics And Engineers Private Limited	92.65	Reliance Infrastructure Limited	92.65			- Reliance Infrastructure Limited
					Reliance Power Limited	31.10				- Reliance Power Limited	
					Reliance Power Limited	0.02				- Reliance Power Limited	
24	RLCSCOR000389447	RPL Solaris Power Private Limited .	22 Jun 2018	62.00	Reliance Power Limited	61.27				- Reliance Power Limited	
25	RLCSCOR000441041	Species Commerce and Trade Private Limited	19 Sep 2018	125.01	Crest Logistics And Engineers Private Limited	125.00	Reliance Infrastructure Limited	125.00			- Reliance Infrastructure Limited
26	RLCSCOR000482655	Species Commerce and Trade Private Limited	11 Jan 2019	107.97	Crest Logistics And Engineers Private Limited	107.97	Reliance Infrastructure Limited	108.00			- Reliance Infrastructure Limited
27	RLCSCOR000466629	Zapak Digital Entertainment Limited	01 Nov 2018	200.00	Reliance Unicorn Private Limited	200.00	Reliance Capital Limited	200.00			- Reliance Capital Limited

13. End use of loan disbursed to borrowers (Contd.)

 Inadequate supporting documents
Provided by the Target Entity

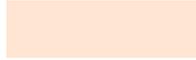
Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Remark
28	RLCSCOR000467542	Zapak Digital Entertainment Limited	02 Nov 2018	100.00	Reliance Unicorn Private Limited .	100.00	Reliance Capital Limited	100.00		-	Reliance Capital Limited
29	RLCSCOR000483283	Accura Productions Private Limited	21 January 2019	90	Reliance Big Entertainment Private Limited	90	Reliance Alpha Services Private Limited	90	Reliance Capital Limited	90	Reliance Capital Limited
30	RLCSCOR000490700	Accura Productions Private Limited	29 March 2019	60	Reliance Big Entertainment Private Limited	60	Reliance Capital Limited	48		-	Reliance Capital Limited
				-		-	Reliance Venture Asset Management	12	Reliance Capital Limited	12	Reliance Capital Limited
31	RLCSCOR000363385	Kunjbihari Developers Private Limited	27 March 2018	94	Reliance Infrastructure Limited	70		-		-	Reliance Infrastructure Limited
32	RLCSCOR000457873	Kunjbihari Developers Private Limited	10 October 2018	5		-		-		-	Kunjbihari Developers Private Limited
33	RLCSCOR000459237	Kunjbihari Developers Private Limited	22 October 2018	5		-		-		-	Kunjbihari Developers Private Limited
34	RLCSCOR000466568	Kunjbihari Developers Private Limited	01 November 2018	5		-		-		-	Kunjbihari Developers Private Limited
35	RLCSCOR000370731	Mohanbir Hi-Tech Private Limited	25 April 2018	8	Reliance Commercial Finance Limited	4		-		-	Reliance Commercial Finance
36	RLCSCOR000366780	Reliance Big Entertainment Private Limited	04 April 2018	247	Reliance Unicorn Private Limited	200	Reliance Capital Limited	200		-	Reliance Capital Limited
				-	Zapak Digital Entertainment Private Limited	47	Reliance Commercial Finance Limited	47		-	Reliance Commercial Finance

13. End use of loan disbursed to borrowers (Contd.)

 Inadequate supporting documents
Provided by the Target Entity

Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Remark
37	RLCSCOR000481943	RPL Aditya Power Limited	31 December 2018	40		-		-		-	RPL Aditya Power Limited
38	RLCSCOR000367765	Skyline Global Trade Private Limited	12 April 2018	200	Crest Logistics And Engineers Private Limited	198	Reliance Infrastructure Limited	198			- Reliance Infrastructure Limited
39	RLCSCOR000372605	Skyline Global Trade Private Limited	30 April 2018	90	Crest Logistics And Engineers Private Limited	88	Reliance Infrastructure Limited	88			- Reliance Infrastructure Limited
40	RLCSCOR000366897	Summit Ceminfra Private Limited	05 April 2018	300	Crest Logistics And Engineers Private Limited	296	Reliance Infrastructure Limited	297			- Reliance Infrastructure Limited
41	RLCSCOR000367574	Tulip Advisors Private Limited	11 April 2018	279	Skyline Global Trade Private Limited	66	Reliance Commercial Finance Limited	66			- Reliance Commercial Finance
				-	Species Commerce and Trade Private Limited	213	Reliance Commercial Finance Limited	213			- Reliance Commercial Finance
42	RLCSCOR000389441	Tulip Advisors Private Limited	22 June 2018	19	Crest Logistics And Engineers Private Limited	19	Reliance Infrastructure Limited	18			- Reliance Infrastructure Limited
43	RLCSCOR000489600	Vinayak Ventures Private Limited	19 March 2019	55	Crest Logistics And Engineers Private Limited	55	Reliance Infrastructure Limited	55			- Reliance Infrastructure Limited
44	RLCSCOR000490958	Worldcom Solutions Limited	30 March 2019	353	Crest Logistics And Engineers Private Limited	353	Jayamkondam Power Limited	353	Reliance Commercial Finance Limited	353	Reliance Commercial Finance

13. End use of loan disbursed to borrowers (Contd.)

 Inadequate supporting documents
Provided by the Target Entity

Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Leg 4	Amount	Remark
45	RLCSCOR000482319	Adhar Project Management And Consultancy Private Limited	07 January 2019	0.25		-		-		-		-	Adhar Project Management And Consultancy Private Limited
46	RLCSCOR000489804	Nationwide Communication Private Limited	22 March 2019	25	Reliance Capital Limited	25		-		-		-	Reliance Capital Limited
47	RLCSCOR000474229	Thwink Big Content Private Limited	19 Nov 2018	350	Reliance Big Entertainment Private Limited	350	Reliance Venture Asset Management	9	Reliance Digitech Limited	9	Reliance Capital Limited	9	Reliance Capital Limited
				-		-	Reliance Unicorn Private Limited	110	Reliance Digitech Limited	110	Reliance Capital Limited	110	Reliance Capital Limited
				-		-	Reliance Value Service Private Limited	231	Reliance Digitech Limited	231	Reliance Capital Limited	231	Reliance Capital Limited

13. End use of loan disbursed to borrowers (Contd.)

 Inadequate supporting documents
Provided by the Target Entity

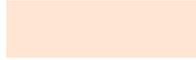
Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amount	Leg 1	Amount	Leg 2	Amount	Leg 3	Amount	Leg 4	Amount	Leg 5	Amount	Remark
48	RLCSCOR000485193	Edrishti Movies Private Limited	07 Feb 2019	50	Big Flicks Private Limited	50	Reliance Unicorn Private Limited.	50	Reliance Ditech Limited	50	Reliance Alpha Services Private Limited	50	Reliance Capital Limited	50	Reliance Capital Limited

13. End use of loan disbursed to borrowers (Contd.)

 Inadequate supporting documents
Provided by the Target Entity

Observation:

(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amt	Leg 1	Amt	Leg 2	Amt	Leg 3	Amt	Leg 4	Amt	Leg 5	Amt	Leg 6	Amt	Remark
49	RLCSCOR 000485726	Accura Productions Private Limited	13 Feb 2019	80	Reliance Big Entertainme nt Private Limited	59	RBE Partner	18	Reliance Unicorn Private Limited	18	Reliance Digitech Limited	18	Reliance Alpha Services Private Limited	18	Reliance Capital Limited	18	Reliance Capital Limited
				-		-	Reliance Unicorn Private Limited. .	24	Reliance Digitech Limited	24	Reliance Alpha Services Private Limited	24	Reliance Capital Limited	24		-	Reliance Capital Limited
				-		-	Reliance Value Service Private Limited .	17	Reliance Digitech Limited	17	Reliance Alpha Services Private Limited	17	Reliance Capital Limited	17		-	Reliance Capital Limited
				-	Zapak Digital Private Limited	21	Reliance Unicorn Private Limited. .	21	Reliance Digitech Limited	21	Reliance Alpha Services Private Limited	21	Reliance Capital Limited	21		-	Reliance Capital Limited
50	RLCSCOR 000485892	Accura Productions Private Limited	14 Feb 2019	20	Reliance Big Entertainme nt Private Limited .	20	RBE Partner	20	Reliance Unicorn Private Limited	20	Reliance Digitech Limited	20	Reliance Alpha Services Private Limited	20	Reliance Capital Limited	20	Reliance Capital Limited
51	RLCSCOR 000486564	Accura Productions Private Limited	21 Feb 2019	50	Reliance Big Entertainme nt Private Limited .	50	RBE Partner	50	Reliance Unicorn Private Limited	50	Reliance Digitech Limited	50	Reliance Alpha Services Private Limited	50	Reliance Capital Limited	50	Reliance Capital Limited

13. End use of loan disbursed to borrowers (Contd.)

 Inadequate supporting documents
Provided by the Target Entity

Observation:

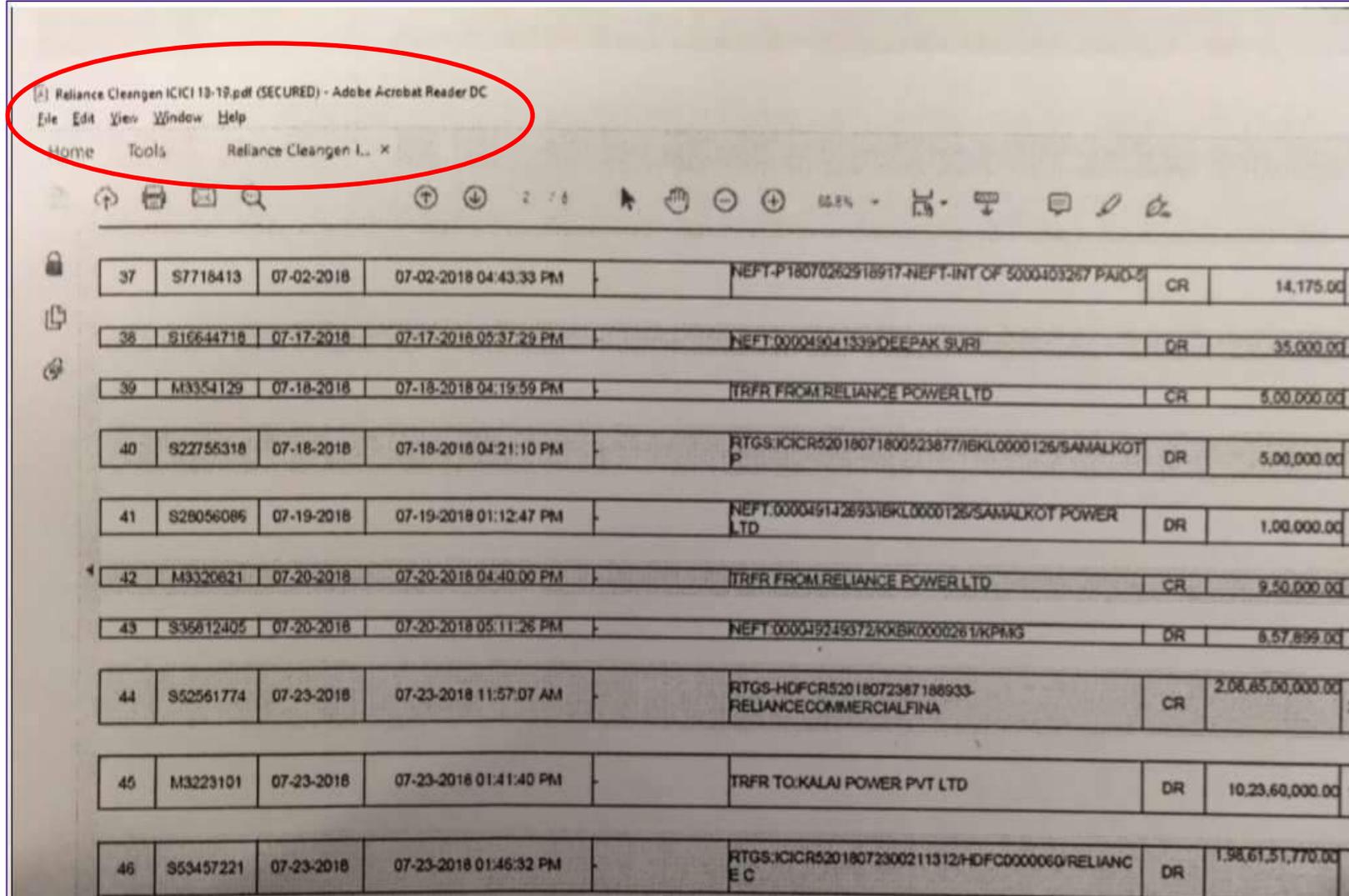
(INR in crores)

Loan Account Number ('LAN') wise details:

Sr No	LAN	Borrower	Date	Amt	Leg 1	Amt	Leg 2	Amt	Leg 3	Amt	Leg 4	Amt	Leg 5	Amt	Leg 6	Amt	Remark
52	RLCSCOR 000488757	Celebrita Mediahouse Private Limited	11 Mar 2019	90	Reliance Big Entertainme nt Private Limited .	90	RBE Partner	90	Reliance Unicorn Private Limited. .	90	Reliance Digitech Limited	90	Reliance Alpha Services Private Limited	90	Reliance Capital Limited	85	Reliance Capital Limited
				-		-		-		-		-		-	Reliance Business Broadcast News Holdings	5	Reliance Buss Broadcast News Hldings
53	RLCSCOR 000486681	Edrishti Movies Private Limited	21 Feb 2019	40	Reliance Big Entertainme nt Private Limited	40	RBE Partner to Reliance Unicorn Private Limited	40	Reliance Digitech Limited	40	Reliance Alpha Services Private Limited	40	Reliance Capital Limited	40	Reliance Home Finance Limited	40	Reliance Home Finance
				-	Reliance Unicorn Enterprises	4	Gamesa Investment Management Private Limited	4	Reliance Commercial Finance Limited	4		-		-		-	Reliance Commercial Finance

13. End use of loan disbursed to borrowers (Contd.)

Snapshot of bank entries of Reliance Cleangen Limited



Sl. No.	Account No.	Date	Time	Description	Debit/Credit	Amount
37	S7718413	07-02-2018	07-02-2018 04:43:33 PM	NEFT-P18070262918917-NEFT-INT OF 5000403267 PAID-5	CR	14,175.00
38	S16644718	07-17-2018	07-17-2018 05:37:29 PM	NEFT-000049041339/DEEPAK SURJ	DR	35,000.00
39	M3354129	07-18-2018	07-18-2018 04:19:59 PM	TRFR FROM RELIANCE POWER LTD	CR	5,00,000.00
40	S22755318	07-18-2018	07-18-2018 04:21:10 PM	RTGS-ICICR52018071800523877/IBKL0000125/SAMALKOT P	DR	5,00,000.00
41	S28056085	07-19-2018	07-19-2018 01:12:47 PM	NEFT-000049142693/IBKL0000126/SAMALKOT POWER LTD	DR	1,00,000.00
42	M3320621	07-20-2018	07-20-2018 04:40:00 PM	TRFR FROM RELIANCE POWER LTD	CR	9,50,000.00
43	S35812405	07-20-2018	07-20-2018 05:11:26 PM	NEFT-000049245372/KXBK0000261/KPMG	DR	6,57,899.00
44	S52561774	07-23-2018	07-23-2018 11:57:07 AM	RTGS-HDFCR52018072387188933-RELIANCECOMMERCIALFINA	CR	2,08,85,00,000.00
45	M3223101	07-23-2018	07-23-2018 01:41:40 PM	TRFR TO:KALAJ POWER PVT LTD	DR	10,23,60,000.00
46	S53457221	07-23-2018	07-23-2018 01:46:32 PM	RTGS-ICICR52018072300211312/HDFC0000060/RELIANC E C	DR	1,98,61,51,770.00

13. End use of loan disbursed to borrowers (Contd.)

Snapshot of bank entries of Crest Logistics and Engineers Private Limited

Ashish Power - RLCSOR000359994

Crest Apr17-Mar18.pdf (SECURED) - Adobe Acrobat Reader DC

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460	M3341574	03-15-2018	03-15-2018 03:45:19 PM	TRFR FROM AASHISH POWER PLANT EQUIPMENT PVT LTD	CR	84,00,00,000.00
461	M3330802	03-15-2018	03-15-2018 03:45:50 PM	TRFR TO RELIANCE INFRASTRUCTURE LTD-ERST REL ENR	DR	84,12,29,113.00
462	M3329608	03-15-2018	03-15-2018 03:47:01 PM	TRFR FROM SUMMIT CEMINFRA PRIVATE LIMITED	CR	5,25,00,000.00
463	M3328096	03-15-2018	03-15-2018 03:58:35 PM	TRFR FROM SKYLINE GLOBAL TRADE PRIVATE LIMITED	CR	4,69,00,000.00
464	M3327190	03-15-2018	03-15-2018 03:59:50 PM	TRFR FROM HIRMA POWER LIMITED	CR	4,69,00,000.00
465	M3396166	03-15-2018	03-15-2018 04:43:48 PM	TRFR FROM CREST LOGISTICS AND ENGINEERS PVT LTD	CR	10,00,000.00
466	M3331630	03-15-2018	03-15-2018 04:53:47 PM	TRFR TO RELIANCE INFRASTRUCTURE LTD-ERST REL ENR	DR	17,00,55,386.00
467	S5056443	03-15-2018	03-15-2018 06:00:17 PM	IT REFUND/757148/FED	CR	50,00,000.00
468	S5056443	03-15-2018	03-15-2018 06:00:18 PM	IT REFUND/757147/FED	CR	50,00,000.00
469	M3376171	03-15-2018	03-15-2018 11:09:47 AM	TRFR FROM RELIANCE INFRASTRUCTURE LTD.		

Other observations

14 Other observation

Background:

- As per Accounting Standard 18 - Related Party Disclosure, as issued by Institute of Chartered Accountants of India, it is mandatory for a company to disclose transactions with its related parties in the financial statements. During our review period, the Target has entered into multiple transactions with its related parties and they have disclosed the same in the financial statements.

Observations: Potential anomalies in related party transaction

- It was noted that there were potential mismatch in the disclosures made by the Target Entity in their financials vis a vis the disclosures made by related parties in their respective financial statements. The following table provides summary of the transactions where mismatch was noted.

(INR in crores)

#	Name of Related Party	FY 2017-18 (Financials)			FY 2016-17 (Financials)		
		As per Target Entity	As per Related Party	Difference	As per Target Entity	As per Related Party	Difference
1	Reliance General Company Limited	1.92	1.72	0.20	2.20	0.03	2.17
	Reliance Nippon Life Insurance Company Limited	0.40	2.51	(2.1)	0.44	-	0.44
2	Reliance Big Entertainment Private Limited	-	-	-	19.60	-	19.60
3	Reliance Infratel Limited	-	-	-	22.91	-	22.91
4	Reliance Nippon life Asset Management Limited	-	-	-	9.16	-	9.16
5	Reliance Home Finance Limited	-	-	-	29.99	5.01	24.98

14 Other observation (Contd.)

Details of transaction wise summary is given in the table below:

(INR in crores)

Name of the Related Party	Transaction Type	FY 2017-18			FY 2016-17		
		Target Entity	Related Party	Difference	Target Entity	Related Party	Difference
Reliance General Company Limited	Insurance Premium received	1.92	1.72	0.20	2.20	0.03	2.17
Reliance Nippon Life Insurance Company Limited	Insurance Expenses	0.40	2.51	(2.11)	0.44	-	0.44
Reliance Big Entertainment Private Limited	Interest on Loan	-	-	-	19.60	-	19.60
Reliance Infratel Limited	Interest on loan	-	-	-	22.91	-	22.91
Reliance Nippon life Asset Management Limited	Sale of Investments				9.16	-	9.16
Reliance Home Finance Limited	Reimbursement of Expenses received- Infrastructure cost	-	-	-	3.54	0.21	3.33
	Valuation charges received	-	-	-	0.22	0.02	(0.20)
	Reimbursement of Expenses Paid	-	-	-	26.23	4.78	21.45

14 Other observation (Contd.)

Observation: Potential anomalies in disbursement made to Goregaon Hotel and Realty Private Limited

- It was observed that the Target Entity has advanced a wholesale loan worth INR 120.98 crores to Goregaon Hotel and Realty Private Limited ('Goregaon Hotel'), a wholly owned subsidiary of D B Realty Limited, (LAN - RLCSCOR000366162) on 31 March 2018. It appears from the narration reflecting in the bank statement that disbursement was made to Vanita Infrastructure Private Limited ('Vanita Infrastructure') instead of Goregaon Hotel. Basis a public domain search, Vanita Infra appears to be a wholly owned subsidiary of D B Realty Private Limited. The entry as appearing in the bank statement is as follows:

Bank account entries HDFC Bank 00600310011545

(INR in crores)

Transaction Date	Description	Debit	Credit
31-March-2018	RTGS DR-ORBC0100521-VANITA HDFCR52018033172INFRASTRUCTURE PVT 193060LTD-SONAWALA,MUM-HDFCR5201803317219 3060	120.98	

- Further, a wholesale loan was disbursed to Goregaon Hotel worth INR 105.74 crores (LAN - RLWCMUM000321867) on 23 March 2016. On going through the collection report along with the bank statement for collection made against the said LAN on 31 March 2018, it appears that the amount has been received from D B Realty Limited. The entry as appearing in the collection report and bank statement is as follows:

Extracts of collection report

Agreement ID	Cheque ID	Loan Account No.	Customer Name	Cheque Amount	Received Date
829706	50323469	RLWCMUM000321867	GOREGAON HOTEL AND REALTY PRIVATE LIMITED	119.05	31-Mar-18

Bank account entries HDFC Bank 00600310011535

Transaction Date	Description	Debit	Credit
31-Mar-2018	NEFT CR-ORBC0100521-D B REALTYLIMITED-RELIANCE COMMERCIAL FINANCELIMITE-SAA54660632		119.05

14 Other observation (Contd.)

Observation: Potential anomalies in disbursement made to Reliance Cleangen Limited

During our review period one of the loan disbursed to Reliance Cleangen Limited was due on 01 December 2017, however on the due date there was no actual receipt for the loan instead the loan was renewed against a new LAN. Details of the transaction is mentioned below

#	LAN	Name of the borrower	Disbursed Amount	Disbursal date	Due date	Collection report details	Amount	Date of collection
1	RLCSCOR000344872	Reliance Cleangen Limited	189.72	26-Oct-2017	01-Dec-17	CANCELLED REBOOK CASE NEW LAN NO. RLCSCOR000348761	190.00	28-Dec-17

#	LAN	Name of the borrower	Disbursed Amount	Disbursal date	Due date	Collection report details	Amount	Date of collection
1	RLCSCOR000348761	Reliance Cleangen Limited	NA	NA	28-Dec-17	PRN INT UTR NO ICICR52018072300211312	190.00	23-July-18

14 Other observation (Contd.)

Management Response

The mismatch in the disclosures are mainly due to taxes, methodology of accounting and other items which are explainable. The related party transactions are verified by the Statutory Auditors.

Note: Management response is reproduced in full as provided by the company.

Limitations and disclaimers

15. Limitations and Disclaimers

Limitations and disclaimers to the Report

- Our Services were performed and this report was prepared in accordance with the terms of Engagement Letter dated 29 August 2019 with Bank of Baroda ('Client') and is subject to the terms and conditions included therein.
- The procedures performed by Grant Thornton India LLP ("GT") do not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, GT provides no attestation or opinion or other form of assurance pursuant to generally accepted auditing standards or attestation standards of the Institute of Chartered Accountants of India. GT did not verify the information supplied in connection with this engagement, from whatever source obtained, except as may be specified in this report.
- We stress that our deliverables are confidential. They should not be used, reproduced, shared, published or circulated for any other purpose, whether in whole or in part without our prior written consent (other than when required for statutory or regulatory purposes or for the internal use of the Client), which consent will be given only after full consideration of the circumstances at the time, and shall not be unreasonably withheld.
- Limitations on availability of information have restricted GT from performing some of the procedures under scope and terms of reference of the aforesaid Engagement Letter. GT's ability to perform all procedures depends on the nature and quality of information and explanations to be provided to us.
- This report is based on information received by us from the Client/ Target Entity up to 27 November 2019. The information/ data provided to us after 27 November 2019 is not considered in this report. Refer annexure 34 for data/ information not received from the Target Entity. Further, we have incorporated responses provided by the management of the Target Entity on 1 January 2020.
- We have relied on the information provided by the Client and the Target Entity. In respect of information requested by GT, the Client and the Target Entity provided copies of documents. GT has relied on the copies of the documents provided and have not independently verified the copies with the original documents.
- Our procedures and findings are based solely on the financial data, documentation, information and explanations that have been provided to us during the course of our work. The findings presented in this report are also based on the results of our discussions with representatives from the Target Entity and are not always supported by written documentation.
- We have analysed the end use of total infusion (Equity share capital, Term loan, Debentures, Commercial Papers and Inter corporate deposits) based on the information available in the accounting records provided to us by the Target Entity and the Payee/ Beneficiary details as provided by the respective banks and analysis is done on a "First-in-First-out" basis (except where direct co-relation was established for inward and outward movement of funds from the respective bank accounts).

15. Limitations and Disclaimers (Contd.)

Limitations and disclaimers to the Report (contd.)

- The performance of the services by us do not constitute (i) a recommendation regarding the acquisition or financing of any business, assets, liabilities or securities or (ii) an examination or compilation of prospective financial information in accordance with standards established by ICAI or any other professional institution relating to accounting and internal controls.
- Our report cannot be relied upon by any other person and we expressly disclaim all responsibility or liability for any costs, damages, losses, liabilities, expenses incurred by anyone as a result of circulation, publication, reproduction, or use of our report contrary to the provisions of this paragraph.
- GT makes no representations regarding questions of legal interpretation and cannot render legal advice. The Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation including Indian laws, rules or regulations.
- This is a fact finding exercise and is not an expression of an opinion or testimony of expert witnesses.
- We make no representations regarding the sufficiency of the procedures performed, the purpose for which this report was requested, or any other purpose.
- While we have taken reasonable steps to corroborate the information obtained, we cannot guarantee its reliability or completeness. For these reasons, this report should be used for guidance purposes only. It should not form the sole basis for any decision as to a potential course of action without independent confirmation of its findings; nor should it be relied upon as preferred advice. It should also be noted that no fact or information that would have had a material bearing on our findings has been intentionally withheld or otherwise omitted.

15. Limitations and Disclaimers (Contd.)

Limitations and disclaimers to the public domain searches and source inquiries conducted by us:

- All the public domain searches conducted in the databases and search engines on the name of the individuals and entities have been performed to the best of our efforts.
- In India, information about individuals/entities is not captured and stored in an organized manner or a centralized database. The information is collated from third parties/various secondary information sources available in the public domain. Accordingly, the factual accuracy of such information cannot be guaranteed. We have referred to the information available on the public domain as on the date of the research and have presented information accordingly. It is to be noted that some of these databases are not updated regularly.
- Although the information may have been gathered from online public record information which is generally accepted to be accurate, we cannot guarantee its veracity; nor can we monitor the speed with which these public record sources update their records. In undertaking the public record research and information gathering on this Engagement, we have identified information currently available. We may not have identified information previously filed on but subsequently removed from the public record prior to this date nor will we have identified information subsequently filed on those data sources after this period in which our work has been completed. In undertaking the public domain searches and information gathering, efforts were made to identify information currently available.
- We assume no responsibility for the accuracy and completeness of information, as cost/benefit and other considerations will preclude us from pursuing every conceivable source of information about the potential suspects. Further, we have used professional judgment to identify the information sources to be searched. If other professionals undertook similar exercises, such professionals might provide different findings. Accordingly, we do not assure that our report has identified all information that might be available in the public or private domains. Our Report should not be construed as documentary evidence on the potential suspects.
- This document contains a compilation of feedback gathered from various market sources. Wherever necessary, we have identified that information may be the personal opinion of our sources and is termed as 'hearsay' in nature and may not be accurate or reliable when identified as being alleged, or of unknown reliability. Furthermore, the sources, may not base their comments on direct information, and may themselves rely upon another party. We can, therefore, accept no responsibility for, and do not warrant the accuracy or completeness of, any of the information provided by such sources.

Glossary

16. Glossary

Acronym	Description
NPA	Non Performing Asset
POS	Principal Outstanding
GPCL	General Purpose Corporate Loan
RHFL	Reliance Home Finance Limited
RCFL	Reliance Commercial Finance Limited
DPD	Days Past Due
ECL	Expected Credit Loss
LRN	Loan Recall Notice
ICA	Inter Creditor Agreement
MLD	Market Linked Debentures
PTC	Pass Through Securities
DA	Direct Assignment
SME	Small and medium enterprise
ICD	Inter Corporate Deposit
PILE	Potentially Indirectly Linked Entity
RP	Related Party
CP	Commercial Paper
RCL	Reliance Capital Limited
FY	Financial Year

Exhibits and Annexures

17. Exhibits

#	Description
1A	Nature of relationship of potential indirectly linked entities with the Target Entity and its related party / group entities
1B	Snapshot pertaining to loans extended to Potential Indirectly Linked Entities
2	End use of Term Loans
3	End use of Secured Debentures
4	End use Secured Debentures – MLD
5	End use of Unsecured Debentures
6	End use of Commercial Papers
7	End use of Inter-Corporate Deposits
8	End use of Debt Securitisation

17. Annexures

Annexure	Description
1	Borrowers having similar registered address
2	Loan disbursed to parties with weak financials
3	Loan disbursed to entities recently incorporated
4	Loans in which value of current assets was substantially less than the total dues
5	Loans in which only principal component is covered under charge
6	Loans hypothecated with RInfra & RPower
7	Income verification documents not obtained
8	Borrowers having similar contact numbers
9	Borrowers having incorrect contact numbers
10	Borrowers having similar email address
11	Loans in which CA certified end use certificate was not available

17. Annexures (Contd.)

Annexure	Description
12	End use of receipts towards Equity Share Capital
13 to 27	End use of receipts towards Term Loans
28	End use of receipts towards Secured Debentures
29	End use of receipts towards Secured Debentures – MLD
30	End use of receipts towards Unsecured Debentures
31	End use of receipts towards Commercial Papers
32	End use of receipts towards Inter-Corporate Deposits
33	End use of receipts towards Debt Securitisation
34	Data/ information not received from the Target Entity

Thank you