

**IDBI Trusteeship Services Ltd.
CIN U65991MH2001GOI131154
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai- 400 001
NOTICE OF THE MEETING
OF
DEBENTURE HOLDERS OF THE PUBLIC ISSUE OF DEBENTURES ISSUED BY
RELIANCE HOME FINANCE LIMITED**

Pursuant to the requisition letter received from a Debenture Holder, NOTICE is hereby given by IDBI Trusteeship Services Limited, (CIN U65991MH2001GOI131154), having its Registered Office at Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 (**the Debenture Trustee**) that a Meeting of the Debenture Holders of the Redeemable, Non-Convertible Debentures (here in after referred to as “Debentures/NCD”s”) issued way of Public Issue vide Information Memorandum dated 15th December, 2016 by **Reliance Home Finance Limited (CIN L67190MH2008PLC183216)** having its Registered Office at Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai, 400055 (here in after referred to as “the Company / RHFL”) is being convened on Thursday, 14th November 2019 at 2.30 p.m. at SBI Auditorium, SBI Bhavan, Nariman Point, Mumbai 400 021 to discuss and transact the following business:-

To consider and if thought fit, to pass the following Resolution as a Special Resolution

“RESOLVED THAT the Debenture Holders note the following

1. Non –Maintenance of Debenture Redemption Reserve as required under Regulation 18(1)(7) of the Companies (Share Capital and Debentures) Rules, 2014 read with SEBI (Debenture Trustees) Regulations, 1993 on the Debentures issued by the Company;
2. Disposal of the Security provided by RHFL and Reliance Capital Limited, holding Company of RHFL (hereinafter referred to as “RCL”);
3. Non maintenance of Security Cover as required under the applicable laws and Debenture Trust Deed dated 2nd January, 2017 for Secured Debentures (DTD) executed by the Company with the Debenture Trustee;
4. Payment Defaults committed by the Company with respect to their other credit facilities availed by the Company;
5. Related Party Transactions entered into by the Company without adequate disclosures;
6. Resignation of Price Waterhouse & Co (PwC) as Statutory Auditors of the Company and allegations of diversion of funds made by them;
7. Gradual dilution of the promoter shareholding in RCL;
8. Credit rating downgrade of the Debentures;
9. Events of default in terms of DTDs; and
10. Enforcement of security provided for the Debentures.”

“RESOLVED FURTHER THAT DTDs be amended to provide for obtaining Quarterly Minimum Cover Certificate from the Statutory Auditor of the Company instead of the Practising Chartered Accountant.”

“RESOLVED FURTHER THAT Debenture Trustee is authorised to do all acts, deeds and things as may be expedient and necessary, including formation of Committee of Debenture Holders, to protect the interest of the Debenture Holders including but not limited to enforcement of security by the Debenture Trustee as may be advised by the majority Debenture Holders.”

For IDBI Trusteeship Services Limited

R Mitra

**Chief Manager
Authorised Signatory
Date: 18th October, 2019
Place: Mumbai.**

NOTES:

1. A DEBENTURE HOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO VOTE IN HIS STEAD AND A PROXY NEED NOT BE A DEBENTUREHOLDER OF THE COMPANY. DEBENTURE- HOLDERS DESIROUS OF APPOINTING PROXIES ARE REQUESTED TO DELIVER DULY COMPLETED PROXY FORMS (IN THE FORM ATTACHED HERETO) TO THE DEBENTURE TRUSTEE AT THEIR REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS PRIOR TO THE TIME FIXED FOR THE MEETING;
2. Debenture-Holders / proxies attending the meeting in person are requested to complete the attendance slip (in the form attached hereto) and handover the same at the Meeting;

3. The Explanatory Statement for above notice is hosted on our website www.idbitrustee.com;
4. Body Corporate(s) intending to send their authorized representative(s) to attend the Meeting are requested to send to the Debenture Trustee a certified true copy of the relevant resolution / power of attorney authorizing their representative(s) to attend and/or vote on their behalf at least 48 hours before the meeting.
5. Every Debenture-holder during the period beginning twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, would be entitled to inspect the proxies lodged at any time during the business hours of the Debenture Trustee (i.e. 9.30 a.m. to 6.00 p.m.) provided that not less than three (3) days prior notice in writing of intention so to inspect is given to the Debenture Trustee.
6. E-Voting:

We are providing remote e-voting facility to the Debenture-holders of the Reliance Home Finance Limited to enable them to cast their votes electronically on the items mentioned in the notice. M/S S N ANANTHASUBRAMANIAN & Co. Company Secretaries, have been appointed as the Scrutinizer for conducting the Remote e-voting process in a fair and transparent manner. E-voting is optional. The voting rights of the Debenture Holders shall be reckoned on the Debentures held by them as on 30th September, 2019 being the Cut-off date for the purpose. Debenture-holders holding debentures either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically.

7. E-voting Instructions

- (i) The voting rights of Debenture-holders shall be in proportion to their Debentures held as on 30th September, 2019 (Cut-off Date) fixed for the purpose.
- (ii) The voting period will commence at 9.00 a.m. on Monday, 11th November 2019 and will end at 5.00 p.m. on Wednesday 13th November 2019. The e-voting module shall be disabled by CDSL at 5.00 p.m. on the same day.
- (iii) The Debenture-holders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Debenture-holders
- (v) Now enter your User ID
 - (a) For CDSL: 16 digit beneficiary ID
 - (b) For NSDL: 8 Character DPID followed by 8 Digit Client ID
 - (c) Members holding Debentures in physical form should enter Folio number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding Debenture in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company/ entity, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding Debentures in Demat and Physical Form	
PAN	<p>Enter your 10 digit alpha numeric `PAN issued by Income Tax Department (Applicable for both demat Debenture-holders as well as physical Debenture-holders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the The Company/ Depository Participant are requested to us the first two letters of their name and the 8 digits of the sequence number in the PAN Held. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two character of the name in CAPITAL letters. Eg, if your name is Ramesh Kumar with sequence number 1 then enter RA0000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Bank records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Bank, please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on `SUBMIT' tab.
- (x) Members holding Debentures in physical form will then directly reach the blank selection screen. However, members holding Debentures in demat form will now reach `password creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company / entity on which they are eligible to vote, provided that company / entity opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding Debentures in physical form, the details can be used only for e-voting on the resolution contained in this notice.
- (xii) Click on the EVSN for the relevant < Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see `Resolution Description` and against the same the option `Yes/ No` for voting. Select the option Yes or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on `SUBMIT`. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on `CANCEL` and accordingly modify your vote.
- (xvi) Once you `CONFIRM` your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print out of the voting done by you by clicking on the `Click here to print` option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non- Individual Debenture-holders and Custodians
 - o Non Individual Debenture-holders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - o A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to helpdesk.evoting@cdslindia.com and CC to scrutinizer@snaco.net
 - o After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the accounts(s) for which they wish to vote on.
 - o The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - o In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Debenture-holders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- (xxi) The results of remote e-voting will be announced by the Debenture Trustee in its website as well as on the website of the e-voting agency.
- (xxii) Kindly note that once you have cast your vote you cannot modify or vote on voting at the Meeting. However, you can attend the meeting and participate in the discussions, if any.
- (xxiii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

1. Voting at the Meeting

After the agenda items have been discussed, the Chairman of the Meeting will order voting in respect the item on the agenda, Debenture-holders attending the meeting and who have not cast their vote by remote e-voting shall be able to exercise their voting right at the meeting. Voting will be conducted and supervised under Scrutinizer appointed for the purpose. After conclusion of the Voting, the Chairman will declare the meeting as closed.

2. The Results of the voting aggregated with the results of remote e-voting will be announced and displayed on the Website of the Debenture Trustee as well on the website of the e-voting agency.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

SBI Mutual Fund being one of the Debenture Holders has vide their letters dated having reference no. MF/CAS/C&CA/RAD/152/2019-20 August 9, 2019 & MF/CAS/C&CA/RAD/230/2019-20 October 11, 2019 instructed us to convene the meeting of the Debenture Holders of RHFL. Accordingly, the Debenture Trustee for Debentures issued by RHFL, the meeting is being convened.

Based on the statement provided to us by the Debenture Holder requisitioning the meeting, the Explanatory Statement to the Special Resolution as contained in the Notice convening the Meeting is as mentioned below:

1. Item No. 1 - Non-Maintenance of DRR by RHFL in relation to Debentures

Despite repeated reminders, RHFL has failed to confirm that debenture redemption reserve ("DRR") as required to be maintained under clauses 25.2(xxii) and 26 of the DTD read with the Companies Act, 2013 and Listing Regulations has been maintained or not. RHFL has also not confirmed on whether the minimum 15% (fifteen percent) deposit/investment to be made in terms of Rule 18(7)(c) of the Companies (Share Capital and Debentures) Rules, 2014 for the year 2019-20 has been made.

2. Item No. 2 - Disposal of the security provided to us by RHFL and RCL

The Debentures have been secured by a first ranking *pari passu* charge by way of hypothecation over the receivables, current assets and investments of RHFL and RCL. Admittedly, RHFL is currently in the process of unwinding its loan book which essentially tantamounts to extinguishing the security created for due repayment/redemption of the NCDs. We would like to draw your attention to clause 25.3(v) of the DTD which provides that RHFL shall not sell/dispose off the security created in respect of the NCDs until it is replaced by some alternate security except for the purpose of securitization and assignment. RHFL has not given any comfort to the Debenture Holders regarding the unwinding of the loan book or disposal of the receivables arising therefrom.

3. Item No. 3 - Non maintenance of Security Cover as required under the laws and DTD;

In light of the on-going unwinding of RHFL's loan book as admitted by it, the security cover as required throughout the tenor of Debentures under clause 25.2(xxx) of the DTD and also under regulation 54(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") is bound to be adversely affected. The security and security cover have been heavily compromised and serious prejudice has been caused to the interests of the Debenture Holders.

In addition to and without prejudice to the above, RCL (the holding company of RHFL) has also charged its receivables, current assets investments in favour of the Debenture Trustee as and by way of security for the Debentures for any shortfall in the security cover. RCL holds approximately 42.88% of the paid-up voting share capital of RNLAM on a fully diluted basis. Given that RHFL is admittedly disposing off its receivables, the security being offered by RCL is critical. The sale by RCL of the shares in RNLAM ("RCL Shares") to Nippon Life Insurance Company ("NLIC") may further prejudice the interest and security cover of the Debentures. Additionally, RCL is also proposing to sell its shares in RCTC and Reliance AIF Trustee Company limited ("RTCL"). If the assets of RCL are also now permitted to be disposed off, we will be left without recourse.

RCL is also in the process of monetizing its 49% stake held in Reliance General Insurance Company Limited. It is to be noted that disposal of investments and current assets of RCL prejudices the security created for and in respect of the Debentures. Further, admittedly, in order to meet its repayment obligations, RHFL has been further securitizing its assets to meet the liquidity requirements of RHFL. It must be noted that the assets of RHFL have already been charged as security for the Debentures and no consents have been obtained for additional monetization and no alternate security provided. If such disposals and monetizations are permitted, the debenture holders will be left without recourse. It is therefore pertinent that the funds being raised through such disposals and securitization are forthwith ring fenced with a view to protect the interest of the investors.

4. Item No. 4 - Payment defaults committed by RHFL in relation to their other credit facilities

In a press release dated 27th April 2019 ("PR 1"), RHFL has admitted its failure in making timely repayment of its dues of approximately Rs. 542 Crores owed to certain commercial banks. Recently, due to its poor financial condition RHFL has also extended the maturity date of certain other series of debentures of approximately Rs. 400 Crores. The same was admitted by RHFL in another press release dated 29th June 2019 ("PR 2"). Thus, it is clear that RHFL is constantly failing in honouring its various debts. The very fact that RHFL has to unwind/liquidate its loan book and monetize its assets makes it clear that financial situation of RHFL is precarious, unreliable and risky. We have serious and genuine apprehensions that the Debentures issued under the DTD will not be duly redeemed.

5. Item No. 5 - Deliberate concealment of certain related party transactions;

We have learnt of certain undisclosed related party transactions undertaken by RHFL. By way of background, it is to be noted that Crest Logistics and Engineers Private Limited ("CLPL") has been shown to be a part of the promoter group of RCL as well as RHFL, as per the disclosures made by RCL and RHFL in accordance with applicable laws. As per the index of charges available with the Registrar of Companies, RHFL has extended certain credit facilities of approximately Rs. 74 Crores to CLPL in the month of August 2017. However, this related party transaction of extending the funds of RHFL to CLPL have not been disclosed by RHFL in its audited financial statements. In fact, the annual report of RHFL for the year 2017-18 explicitly states that there were no significant material related party transactions entered into by RHFL during this duration. It however casts serious aspersions on the veracity of and the manner in which the financial statements have been prepared and finalized. In the circumstances, we are unable to rely on the audited financial statements which are expected to fairly and truly reflect the financial condition of the company. This is not only a gross violation of the Companies Act 2013 but also further corroborates the fact that RHFL has been acting in a dishonest and fraudulent manner.

6. Item No. 6 - Resignation of PwC as statutory auditors and allegations of diversion of funds

Under clause 25.2(viii) of the DTD, RHFL has covenanted to prepare and maintain proper books of account with true and accurate details of all their transactions. We would like to point out that PwC issued a letter dated 18th April 2019 under section 143(12) of the Companies Act, 2013 to RHFL which signifies that there are instances and transactions which PwC believes to be fraudulent in nature. We understand from PwC's resignation letter dated 11th June 2019 that RHFL was restraining and preventing PwC from performing their duties as statutory auditors of

RHFL. RHFL even threatened legal action against PwC to intimidate them. As per PwC's resignation letter, RHFL also did not provide any satisfactory response and even failed to act on the observations/issues raised by PwC which if not resolved would prove to be significant, material and substantive to the financials of RHFL.

There have been serious allegations and doubts regarding certain financial transactions that have taken place amongst the group companies. Moneylife has, on 8th June 2019, published an article covering a report issued by Risk Event-Driven and Distressed Intelligence (REDD) which states that RCL, RHFL and another related entity - Reliance Commercial Finance, have engaged in certain malpractices of funding through box companies to evade reporting of funds given to related entities. Further, as per a report published in Economic Times on 10th July 2019, we also apprehend that there are certain suspicious and dubious related-party transactions, preferential dealings with group entities. We have also recently learnt from another article dated 17th July, 2019 published in the Economic Times, that the Serious Fraud Investigation Office of the Ministry of Corporate Affairs ("SFIO") has begun investigation into alleged diversion of funds and suspicious transactions between RCL, RHFL and other group companies. It has also been clarified that the SFIO will be issuing notices and summons in the coming weeks in relation to the allegations made and would be questioning the role of the management, audit committees and current auditors. The reports suggest that there are certain suspicious and dubious related-party transactions and preferential dealings between group entities and that there were deliberate attempts to avoid making statutory disclosures.

7. Item No. 7 - Gradual dilution of the promoter shareholding in RCL

The promoters have substantially diluted their shareholding in RCL. As on 31st March 2018 the promoter shareholding stood at 52.23% and out of total promoter holding approximately 70.28% was pledged. However, their shareholding now stands decreased to 47.48% whereas the pledge stands increased to 96.93%. This depicts that the promoters are under financial stress and are likely to lose control of RCL. The entire promoter shareholding in RCL and RHFL (and perhaps even other group companies) have already been encumbered heavily and a change of control in RCL and RHFL is in fact imminent. In relation to the proposed acquisition of RNLAM by NLIC as mentioned above, RCL has further pledged approximately 22% of its shareholding in RNLAM. If the pledge(s) created in respect of the shares of RCL and RHFL are enforced, the promoters will be taken out of control of the said entities after having monetized all assets and appropriated all the proceeds from these assets to the exclusion of the rightful creditors/ stakeholders/ investors. The genuine investors in which case maybe left without recourse to the promoters and their actions.

8. Item No. 8 - Credit rating downgrade of the Debentures

Credit ratings of the NCDs stand substantially downgraded to (i) CARE C (stable) from CARE AA+ (stable); and (ii) BWR C (credit watch with negative implications) from BWR AA+ (stable); by Care Ratings Limited and Brickwork Ratings India Private Limited respectively. The downgrade of the rating further corroborates the fact that RHFL is in an abysmal and unstable condition.

9. Item No. 9 – Event of Default in terms of the DTD

In view of the aforementioned facts/events and for reasons stated in our (i) letter dated 16th May 2019 addressed to RHFL; (ii) letter dated 04th July 2019 addressed to RHFL; (iii) complaint letters dated 15th July 2019 and 17th July 2019 addressed to SEBI; (iv) letter dated 19th July 2019 addressed to RHFL; (v) letter dated 19th July addressed to NLIC; (vi) letter dated 23rd July 2019 addressed to RCL; and (vii) letter dated 06th August 2019 addressed to RCL; it is important that to take note of the 'event of default' that has occurred (and is still continuing) under the provisions of the DTD and forthwith accelerate the payment of our dues.

10. Item No. 10 - Enforcement of security provided for the Debentures

The security provided to us is in serious jeopardy. Therefore, if RCL does not earmark and credit directly to us or via an escrow mechanism, the proceeds arising from the sale of RCL Shares and/or arising from any other assets/ investments/debts to ensure due repayment of our dues, it shall prejudice our rights as Debenture Holders. In relation to the same, we must deliberate upon exercising our rights and enforcing our security under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and/or by way of a long cause suit seeking interim reliefs for attachment of the security by way of Attachment before Judgement.

11. Item No. 11 – Obtaining Quarterly Minimum Security Cover Certificate from the Statutory Auditor instead of the Practicing Chartered Accountant

As per the terms of the Debenture Trust Deed, the Company is required to provide the Minimum Security Cover Certificate from the Practicing Chartered Accountant. However, it is proposed that the Company shall provide the Minimum Security Cover Certificate from its Statutory Auditor on a Quarterly basis. Necessary amendments to the Debenture Trust Deed may be made to this effect.

Debenture Holders are requested to deliberate on the agenda items and pass the resolution authorising Debenture Trustee to do all acts, deeds and things as may be expedient and necessary to protect the interest of the Debenture Holders including but not limited to enforcement of security by the Debenture Trustee as may be advised by the majority Debenture Holders.

**IDBI Trusteeship Services Ltd or its Directors are interested in the agenda item only to the extent being the Trustee for the debentures held by the Debenture Holders.*

IDBI Trusteeship Services Ltd.
CIN U65991MH2001GOI131154
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai- 400 001
Proxy Form

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies(Management and Administration) Rules, 2014

Re: Reliance Home Finance Limited (Company)

Name of the Debenture-holder(s):	
Registered Address:	
E-mail Id:	
Folio No/Client Id:	
DP ID:	

I/We, _____ of _____ the undersigned being debenture-holders of the above Company, hereby appoint _____ of _____ as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the meeting of Debenture-holders of the Company to be held on November 14, 2019 at 2.30 pm at SBI Auditorium, SBI Bhavan, Nariman Point Mumbai - 400 021 and at any adjournment thereof in respect of such resolution as are deemed fit by the debenture holders on the agenda items as contained in the notice of the meeting of the Debenture holders.

Signed this.....day of2019

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(Affix
Rs.1/-
Revenue
Stamp)

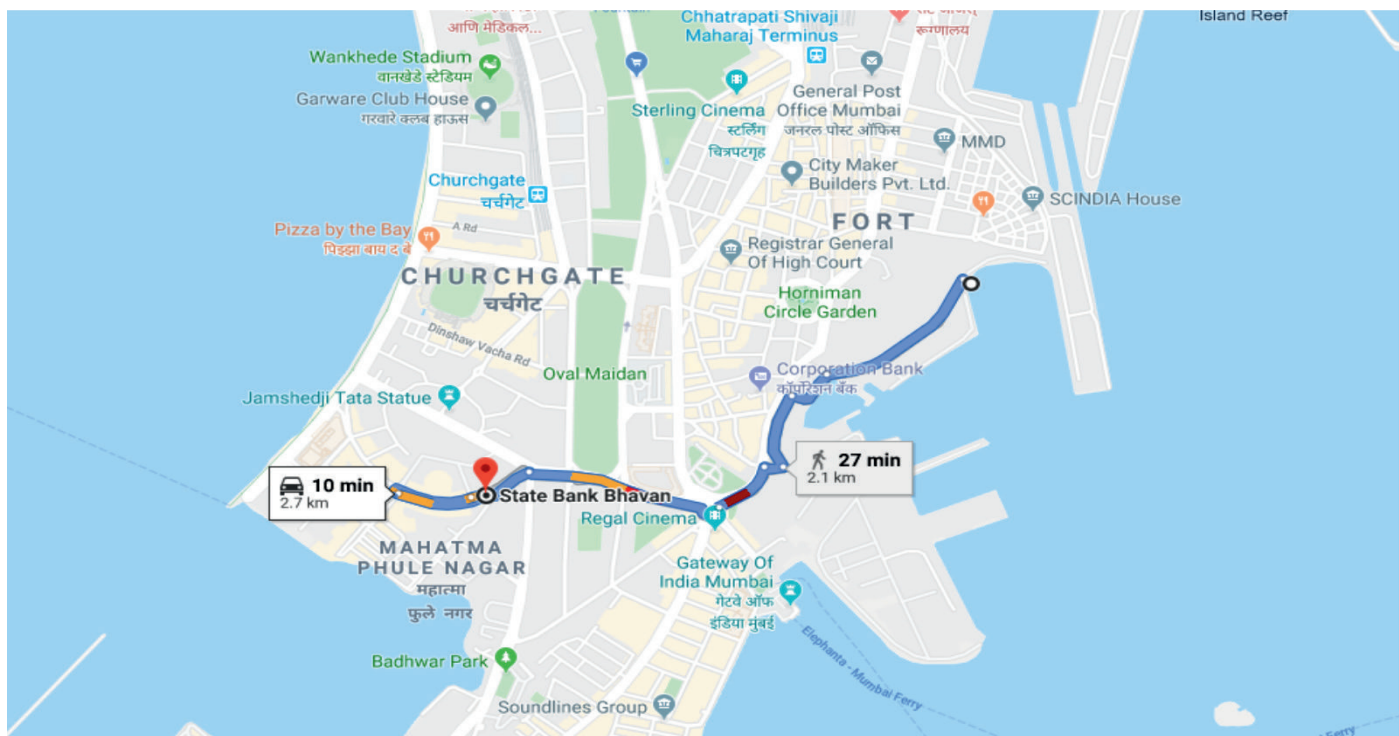
Signature of Debenture-holder

Signature of Proxy holder(s)

Notes to proxy form:-

1. This proxy form to be effective should be duly stamped, completed, signed and deposited at the registered Office of the Debenture Trustee, not less than 48 hours before the commencement of the Meeting
2. A Proxy need not be a Debenture Holder of the Company
3. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated
4. An instrument of Proxy duly filled in, stamped and signed is valid only for the meeting to which it relates including any adjournment thereof.
5. An instrument of Proxy is valid only if it is properly stamped. Unstamped or inadequately stamped proxies or proxies upon which the stamps have not been cancelled are invalid.
6. The Proxy-holder should prove his identity at the time of attending the meeting.

Google Maps location for reaching the Venue:



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