

Minutes of the Meeting of Debenture-Holders of Public Issue of Debentures by Reliance Home Finance Limited (CIN L67190MH2008PLC183216) convened by IDBI TRUSTEESHIP SERVICES LIMITED (CIN U65991MH2001GOI131154) at 2.30 p.m. at SBI Auditorium, SBI Bhavan, Nariman Point, Mumbai 400 021 on 14th November, 2019.

Following were present in the Rostrum:

1. Mr S. K. Bagchi – Managing Director & CEO of IDBI TRUSTEESHIP SERVICES LIMITED (ITSL) in the Chair
2. Mr. S. B. Gunware
3. Mr Ritobrata Mitra
4. Mr. Jatin Bhat
5. Ms Paridhi Doshi

82 Debenture Holders attended the Meeting in person or through proxy.

In Attendance:

1. Representatives of S N ANANTHASUBRAMANIAN & CO., Company Secretaries
2. Representatives of Reliance Home Finance Limited (RHFL)

The Chairman welcomed the Debenture Holders present at the Meeting. The Chairman introduced the persons sitting on the dais.

The Chairman further declared that the requisite quorum was present at the meeting and called the meeting to Order and commenced the proceedings.

The Chairman informed that 10 Debenture Holders had lodged their proxies with ITSL within the prescribed time limit and were in order.

Thereafter, explained that the meeting of Debenture Holders has been called at the request of SBI Mutual Fund holding more than 10% of the nominal value of debentures outstanding by RHFL under the public issue of debentures.

It was informed that ITSL had despatched notice of the Meeting by email and speed post to Debenture Holders and also the Notice was published in Business Standard (English language, all editions) and Sakal Marathi language and that the same be taken as read.

The Chairman informed that ITSL has engaged the services of Central Depository Services (India) Limited (CDSL) to provide "Remote E-voting facility". The "Remote E-voting" was available from 9.00 a.m. on Monday, 11th November 2019 till 5.00 p.m on Wednesday, 13th

AKC


November 2019. He further informed that CDSL are providing e-voting facility at the Meeting and have set-up counters outside the hall. He requested Debenture Holders who had not yet cast their votes to vote on the Resolution till the closure of the Meeting. The Chairman added that ITSL has appointed M/s S.N. ANANTHASUBRAMANIAN & Co, Company Secretaries as Scrutinizers to scrutinize the votes cast by Debenture Holders through remote e-voting and voting at the meeting and submit their consolidated results to the Chairman.

The Chairman then invited the Debenture Holders to make their observation, if any, on the item on the agenda.

Following Debenture Holders made their observations :

Representative of SBI Funds Management Private Limited (SBI MF) made the following observations:


The representative of SBI MF thanked IDBI Trusteeship Services Limited (ITSL) for organizing and conducting a meeting of around 20,000 debenture holders by issuing a 21 days' notice.

The representative of SBI MF, thereafter, made his observation by referring to the item nos. in the explanatory note to the notice of meeting.

- One of the large debenture holder of the Public Issue, i.e. Nippon India Mutual Fund has a conflict of interest.

- With regards to item no. 1, Non-Maintenance of DRR. The financials of Reliance Home Finance Limited (RHFL) which was released with a delay on 13th August, 2019. The delay was on account of resignation of their statutory auditors Price Water House Coopers (PWC) and appointment of another auditor i.e. Dhiraj & Dheeraj. As per the audit report, the DRR in respect of debentures issued through public issue is Rs. 436.71 Crores (approx.). However, the Company (RHFL) is yet to deposit a sum equivalent to 15% of the amount debentures maturing during the year ending 31st March, 2020. This, as per statutory requirement, was to be deposited on or prior to 30th April, 2019.

- With regards to item no. 4, referred to press release filed with stock exchange with regards to resignation dated 29th April, 2019 of independent director, Mr. Padmanav

AKG


Vora detailing the reasons for resignation as default in payment of dues and rating downgraded to 'default rating'. Further referred to a press release by RHFL on 27th April, 2019, which states that RHFL has been affected by a timing mis-match in regards to an ongoing further securitization/ monetization proposals of the Banks and the same has resulted in delay on principal repayments to around 5 to 6 banks. Referring to another press release by RHFL dated 29th June, 2019, which states that the maturity of NCD aggregating to Rs. 400 Crores have been extended till 31st October, 2019, which also constitutes a payment default.

- With regards to a press release dated 11th June, 2019 by PWC stating that RHFL has restricted them from performing their duty as statutory auditor by not holding an Audit Committee meeting within the statutory period provided under the Companies Act and vide its letter dated 7th June, 2019 threatened them with legal proceedings in relation to their duties performed in accordance with duties cast under law.
- With regards to item no. 8, the credit rating has worsened as per CARE's press release of 12th September, 2019 all bank loan facilities and NCD's of RHFL has been downgraded to 'D'. Brickworks rating agency which rates the public issue of NCD's have also downgraded the rating to 'D' on 18th September, 2019.
- With regards to item no. 5, Dhiraj & Dheeraj, statutory auditor of RHFL in the audit report for March, 2019 and September, 2019 has qualified the report on the basis deviations with regards to loans advanced under general purpose corporate loan to certain body corporates including group companies and has also stated that with regards to Rs. 566 Crores of these loans as on 31st March, 2019, the auditor has not received sufficient audit evidence with regards to recoverability of the principal and interest including the time frame of recoverability.
- There has been delay in response from the Company in providing security cover certificate on a quarterly basis. In and around August, 2019 the company has provided certificate of February, 2019. Which the company is required to provide every quarter.
- Therefore, in terms of the resolution it is requested that the company provides quarterly certificate obtained from the statutory auditor and accordingly the Debenture Trust Deed maybe amended.

AKC



- Also mentioned that the Trust Deed provides that in case of a shortfall in security the company and Reliance Capital Ltd. has a commitment to complete the shortfall, but there are considerable delay on the same and they are calling it an events of default and want to call for acceleration of dues so that the security can be enforced so that all the debenture holders gets their dues before all other funds are completely diverted for dubious purposes.

Representative of Nippon India Mutual Fund (Nippon) made the following observations:

- The representative of Nippon stated that there is no conflict *per se* with respect to item no. 2 & 3 and they want to call it an event of default for their investors. They further wanted to clarify with respect to item no. 2 & 3, by stating that there are securitization transaction done by RHFL and they are PTC holders, those have been assigned to Nippon. These were acquired in compliance with applicable SEBI regulations and as per RBI guidelines. Necessary security cover certificate was furnished for June, 2019 quarter and the referred securitization transaction was in January, 2019 when the security cover was maintained and hence the securitization transaction is outside the purview of the security cover of these NCD's. Considering the security cover certificate was furnished in June, 2019 any specific security created by Reliance Capital prior to this period out of its capital investment is totally outside the security provided for these NCD's.
- With regards to item no. 2 & 3, they raised their objection as stated above and wanted some modification considering specific security being given by Reliance Capital for the securitization transaction which is outside the purview of the security cover for these NCD's.

The other debenture holders spoke at the meeting and gave their views on the matters which inter alia includes:

- Quoted newspaper reports and highlighted the current financial state of affairs of RHFLs;
- Filing of criminal complaint against the promoters;
- To call it 'Event of Default' and take charge of the assets of the Company so as to prevent further diversion of funds;
- Reiterated that ITSL should take all necessary steps to secure the interest of the Debenture holders and that their money should be returned;

AKG
Raj

- Pointed out that this meeting should have been held earlier in view of the other defaults committed by RHFL;
- Some debenture holders decided not to vote as they wanted to know various options/ remedies available with ITSL for recovery and they wanted to consider and explore all the remedies to recover the money invested in the debentures of RHFL.

The Chairman thereafter invited representatives of RHFL who were present in the meeting to speak and the Chief Executive Officer and Chief Financial Officer spoke at the Meeting. They informed as under:

- Security Cover Certificate of June, 2019 has been submitted to ITSL albeit with the delay and that as per the certificate security cover is be 1.05 times the value of secured debentures.
- The Company has entered into an Inter Creditor Agreement with the Bankers.
- They informed that they have submitted the information required to be submitted to ITSL and that ITSL on that basis could respond to the issues/ queries raised by debenture holders. In case of any additional queries, Debenture Holders could write to ITSL and that RHFL will respond to ITSL.
- Reliance Capital Limited is discontinuing their operation and has no bearing on RHFL which shall continue its business.

The Chairman then detailed the various initiatives of ITSL with RHFL as under:

- ITSL have been continuously monitoring the payment of interest and redemption of principal in all debenture issues of the company, particularly Public Issue of debentures and reporting/ confirming to credit rating agencies. Wherever there has been any delay/ default the same has been intimated to SEBI and hosted on ITSL website for information of debenture holders.
- ITSL have been following up with RHFL for adherence to statutory and regulatory compliances (i.e. Quarterly and Half Yearly reporting) for public issue of NCD's by way of several emails and letters continuously.

AKC
by

- ITSL have followed up with respect to creation of Debenture Redemption Reserve (DRR) by RHFL which was not done by 30.04.2019. Creation of the same was intimated to us in Auditors report in September, 2019.
- ITSL have been following up for investment of 15% of the amount of its debentures maturing during the year ending 31.03.2020, by RHFL, till date same in not done.
- Based on the instruction of the debenture holder ITSL have on 16th May, 2019 issued an acceleration notice to RHFL, which was disputed by RHFL.
- ITSL have written multiple times to RHFL and Reliance Capital Limited (RCL), security provider, for maintenance of adequate security cover.
- Appropriate measures as mandated by law shall be taken to recover the investment made by debenture-holders by following due process of law.
- Action, if any shall be taken against RHFL as per instruction of the majority Debenture Holders.

The Chairman requested the Debenture holders to cast their votes and informed that the meeting will stand closed after all the debenture holders who wished to vote have cast their votes.

The Chairman informed that the Results of the Voting will be displayed on the website of ITSL and CDSL on receipt of the Report from the Scrutinizer.

Based on the Report submitted by the Scrutinizer (Annexed to this Minutes)

- Secured Debenture Holders have PASSED the Resolution as contained in Item No. 1 of the Notice of the Meeting dated 18th October, 2019 with requisite majority
- Unsecured Debenture Holders have NOT PASSED the Resolution as contained in Item No. 1 of the Notice of the Meeting dated 18th October, 2019 with requisite majority.

Place Mumbai
Date November 18, 2019



[Handwritten Signature]
Chairman of the Meeting

[Handwritten Signature]
[Handwritten Signature]