

4<sup>th</sup> January 2020

Hand Delivery/ Courier

To,

(1) **Reliance Home Finance Limited,**  
Reliance Centre, South Wing,  
6<sup>th</sup> Floor, Off. Western Express Highway,  
Santacruz (East), Mumbai – 400 055

(2) **Reliance Capital Limited**  
Reliance Centre, North Wing,  
6<sup>th</sup> Floor, Off. Western Express Highway,  
Santacruz (East), Mumbai – 400 055

Notice of Default

Subject: Default in payment of principal amount and interest in respect of secured redeemable non-convertible debentures (“NCDs”) issued by Reliance Home Finance Limited (“RHF”)

Reference: (i) Debenture Trustee Agreement dated 10 November 2016 executed by and between RHF and IDBI Trusteeship Services Limited (“**Debenture Trustee**”) (“**Debenture Trustee Agreement**”);

(ii) Tranche I Prospectus dated 15 December 2016 (“**Tranche I Prospectus**”);

(iii) Debenture Trust Deed dated 2 January 2017 in respect of NCDs executed by and between RHF, Reliance Capital Limited (“**RCL**”) and the Debenture Trustee; and

(iv) Letter dated 19 November 2019 from Debenture Trustee addressed to RHF bearing reference no. 9562/ITSL/OPR/2019-20 (“**Letter dated 19 November 2019**”)

*(Capitalised terms, unless defined herein, have the meaning given to such terms in the Debenture Trust deed, as the context may require.)*

Dear Sirs,

1. Pursuant to the Companies Act, 2013, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“**SEBI Debt Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”) and SEBI (Debenture Trustee) Regulations, 1993 (“**Debenture Trustee Regulations**”), we, IDBI Trusteeship Services Limited *vide* Debenture Trustee Agreement provided our consent to RHF to act as the debenture trustee in trust for the benefit of debenture holders of all series of NCDs aggregating to INR 3500 Crores as issued by RHF from time to time.

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2. RHF *vide* its Tranche I Prospectus offered to the public, NCDs carrying face value of INR 1000/- each, aggregating up to INR 1,00,000 Lakhs, with an option to retain oversubscription of up to INR 3,00,000 Lakhs. Consequently, RHF, RCL and Debenture Trustee executed the Debenture Trust Deed, wherein the Debenture Trustee is acting as the debenture trustee to the public issue of NCDs carrying face value of INR 1000/- each and respective coupon interest rates payable annually aggregating to INR 2618,27,41,000/- (Indian Rupees Two Thousand Six Hundred Eighteen Crores Twenty Sevens Lakhs Forty One Thousand only) issued by RHF and subscribed by debenture holders under respective ISINs, as detailed herein below:

| Sr. No. | ISIN                        | Principal Redemption Date | Coupon Interest Rate (payable annually) (%) |
|---------|-----------------------------|---------------------------|---|
| 1.      | INE217K07AB6<br>("NCD-I")   | 3 January 2020            | 8.70  |
| 2.      | INE217K07AC4<br>("NCD-II")  | 3 January 2020            | 8.90  |
| 3.      | INE217K07AD2<br>("NCD-III") | 3 January 2022            | 8.90  |
| 4.      | INE217K07AE0<br>("NCD-IV")  | 3 January 2022            | 9.05  |
| 5.      | INE217K07AF7<br>("NCD-V")   | 3 January 2027            | 9.00  |
| 6.      | INE217K07AG5<br>("NCD-VI")  | 3 January 2027            | 9.15  |

3. The Debenture Trustee *vide* Letter dated 19 November 2019 addressed to RHF, by setting out various events of default committed by RHF under clause 7.3 (f), (h) and (l) of the Debenture Trust Deed, declared occurrence of Event of Default under the Debenture Trust Deed. Pursuant to such declaration, the Debenture Trustee under clause 7.1 of the Debenture Trust Deed, called upon RHF to make payment of the principal amount and all interests payable in respect of all NCDs aggregating to INR 2822,12,18,791/- (Indian Rupees Two Thousand Eight Hundred Twenty Two Crores Twelve Lakhs Eighteen Thousand Seven Hundred and Ninety One only), to the debenture holders within a period of seven days from the date of such letter along with further interest, as detailed therein. Additionally, the Debenture Trustee also called upon RHF to make additional payment of INR 7,45,000 (Indian Rupees Seven lakhs Forty Five thousand only) incurred by the Debenture Trustee for holding a meeting of debenture holders on 14 November 2019.
4. Upon expiry of the period of seven days set out in the Letter dated 19 November 2019, RHF failed to make payment of the principal amount and all interests payable in respect of NCDs aggregating to INR 2822,12,18,791/- along with further interest to the concerned debenture holders, in blatant violation of its obligations and duties under the Debenture Trust Deed. Failure to make payment of principal amount and all interests by RHF to



debenture holders constitutes events of defaults as contemplated under clause 7.3 (a), (b), (c) of the Debenture Trust Deed.

5. As you are aware, NCD - I and NCD - II under the Debenture Trust Deed had a final maturity date of 3 January 2020. In violation of various obligations, representations and warranties under the Debenture Trust Deed, RHF failed to make payment of the principal amount and interest due under NCD - I and NCD - II aggregating to INR 2031,14,73,956/- (Indian Rupees Two Thousand Thirty One Crores Fourteen lakhs Seventy Three Thousand Nine Hundred and Fifty Six only) on the date of its maturity (*as more particularly detailed below*). In addition to previous events of default as stipulated in Letter dated 19 November 2019, failure to make payment of principal amount and interest in relation to NCD - I and NCD - II on its maturity date constitutes further events of default as contemplated under clause 7.3 (a), (b) of the Debenture Trust Deed.

| Sr. No. | Series   | Outstanding Principal (INR) | Interest due and payable as on 3 January 2020 (INR) |
|---------|----------|-----------------------------|---|
| 1.      | NCD - I  | 8,12,00,00,000.00           | 70,64,40,000  |
| 2.      | NCD - II | 10,54,64,04,000.00          | 93,86,29,956  |

6. Additionally, under the Debenture Trust Deed, interest on NCD - III, NCD - IV, NCD - V and NCD - VI was due and payable on 3 January 2020. In violation of various obligations, representations and warranties under the Debenture Trust Deed, RHF failed to make payment of interest due and payable under NCD - III, NCD - IV, NCD - V and NCD - VI aggregating to INR 68,00,68,771/- (Indian Rupees Sixty Eight Crores Sixty Eight Thousand Seven Hundred Seventy One only) on the date of its payment (*as more particularly detailed below*). Failure to make payment of interest in respect of NCD - III, NCD - IV, NCD - V and NCD - VI on its due date constitutes yet another event of default under clause 7.3 (b) of the Debenture Trust Deed. As a result of continuous events of defaults, it is reiterated that the principal amounts, all interests and other monies payable in respect of NCD - III, NCD - IV, NCD - V and NCD - VI have become due and payable by RHF to the debenture holders forthwith.

| Sr. No. | Series    | Interest due and payable on 3 January 2020 (INR) |
|---------|-----------|--|
| 1.      | NCD - III | 14,76,60,345                                     |
| 2.      | NCD - IV  | 30,19,12,435                                     |
| 3.      | NCD - V   | 1,15,35,210                                      |
| 4.      | NCD - VI  | 21,89,60,781                                     |

7. In view of the default in payment of principal amount and interest in respect of NCD - I and NCD - II and default in payment of interest in respect of NCD - III, NCD - IV, NCD -

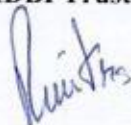


V and NCD – VI, we, in our capacity as the Debenture Trustee call upon RHF to make payment of the principal amount, interests and all other monies payable by RHF to the debenture holders, in respect of all NCDs as stated hereinabove aggregating to INR 2850,78,79,727/- (Indian Rupees Two Thousand Eight Hundred Fifty Crores Seventy Eight Lakhs Seventy Nine Thousand Seven Hundred Twenty Seven only) along with further interest at the rate of 2% per annum over and above the respective coupon rates from 3rd January, 2020 till date of payment and/ or realization, *forthwith*. Additionally, RHF is also liable to make payment of the expenses incurred by Debenture Trustee as set out in the Letter dated 19 November 2019. In the event RHF yet again fails to make payment, we shall be constrained to initiate appropriate legal proceedings entirely at your costs, risks and consequences.

8. Additionally, RCL in its capacity as the Holding Company to the Debenture Trust Deed has also created a *pari passu* hypothecation charge over all present and future book debts, current assets, investments and other business receivables of RCL. In view thereof, RCL along with RHF, shall be jointly and severally liable to make payment of the principal amount, interests and all other monies payable to debenture holders and payment of expenses incurred by Debenture Trustee as stated hereinabove aggregating to INR 2850,78,79,727/- (Indian Rupees Two Thousand Eight Hundred Fifty Crores Seventy Eight Lakhs Seventy Nine Thousand Seven Hundred Twenty Seven only) along with further interest at the rate of 2% per annum over and above the respective coupon rates from 3 January, 2020 till date of payment and/ or realization.
9. Please note that this Notice of Default is without prejudice to any other right that we may exercise at our sole discretion, as available to us under the applicable laws and provisions contained under the Debenture Trust Deed.

Yours truly,

**For IDBI Trusteeship Services Limited,**



**Authorized Signatory.**