

CTL/RHFL/2019-20/7208

January 22, 2020

URGENT AND IMPORTANT

Dear Debenture Holders,

Reg: Unsecured, Subordinated, Redeemable, Non-Convertible INR Denominated Debenture Issue of **Reliance Home Finance Ltd.** Under the Debenture Trust Deed dated 05.06.2015

Sub: **Default in payment of interest by Reliance Housing Finance Ltd.,** under INE217K08222 and consequent "Acceleration Event" to INE217K08131, INE217K08149, INE217K08156, INE217K08164, INE217K08172, INE217K08180, INE217K08198, INE217K08206, INE217K08214, INE217K08222, INE217K08230

This is to inform you that Reliance Home Finance Ltd., (Issuer) has informed the Stock Exchanges (BSE and NSE) vide its letter dated 21.01.2020, that interest payment due on 21.01.2020 under the ISIN INE217K08222 is delayed. All the other ISIN numbers mentioned above are part of the funds raised under the same Debenture Trust Deed dated 05.06.2015 executed between the Issuer and Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Ltd.)(Debenture Trust Deed/DTD).

In terms of the SEBI directives, we have informed the rating agencies and also updated the information on our website.

Further, the Issuer had earlier informed the Stock Exchanges (BSE and NSE) vide letter dt.14.01.2020 that meeting of Debenture Holders called by it, on Tuesday, January 14, 2020, at 2:00 p.m., was adjourned to resume on Friday, January 31, 2020 at 2:00 p.m. at Reliance Centre, Off Western Express Highway, Santacruz (East), Mumbai 400 055, on the request of Debenture Holders, in order to enable the Debenture Holders to take their internal clearance. As such, the remote e-voting facility for Debenture Holders has been extended by the Issuer till Thursday, 5:00 p.m., January 30, 2020.

In this connection, it may be noted that, in terms of the provisions of the Debenture Trust Deed, non-payment of interest on due date falls under payment default under "Events of Default" as laid down in Article 4 of the said DTD. The said clause also provides that such an occurrence leads to an "Acceleration Event" in respect of all the relevant debentures.

Further, non-payment on due date of any amount, coupled with provisions of Article 4 of the said DTD and inability of the Issuer to pay its debts, attracts application of "Event of Default" in respect of all debentures. In this connection it may be stated that IDBI Trusteeship Services Ltd., who are Debenture Trustees for other debenture issues of Reliance Home Finance Ltd., have filed application with NCLT in respect of defaults in issues to which they are Trustees.

The Lenders (Banks), led by Bank of Baroda, have entered into an Inter-Creditor Agreement ("ICA") to arrive at a debt resolution plan in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India, on Prudential Framework for Resolution of Stressed Assets.

All the aforesaid occurrences establish that Reliance Home Finance Ltd., is not in a position to meet its commitments under the debenture issue on due date.



As such, in keeping with the provisions of Article 4 of the DTD, we are hereby seeking directions from you as the Debenture Holders for:

- a. Declaring Event Of Default under the DTD
- b. Accelerate the entire amount under the DTD (being the aggregate of Principal, Interest, Default Interest and Liquidated damages)
- c. Take appropriate legal action

On the basis of the directions received from all debenture holders, the threshold requirement of mandate being not less than three fourth of the nominal value of outstanding under the issue, steps would be taken by Catalyst Trusteeship Ltd., as Trustee to the Issue.

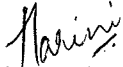
Debenture Holders may examine the entire DTD to arrive at an informed view in the matter. For ready reference, an extract of article 4 of the DTD is appended at Annexure 1.

The format in which you are requested to convey your directions is given at Annexure 2.

You are requested to ensure that your response is sent to us on e-mail on or before 29.01.2020.

Yours faithfully,

For Catalyst Trusteeship Limited



Authorized Signatory



ANNEXURE 1

ARTICLE - IV

EVENTS OF DEFAULT AND REMEDIES

- 4.1 Upon occurrence of one or more of the events specified herein ("Event(s) of Default"), the Trustee, either by itself or upon being notified by a Debenture holder shall forthwith notify the Company and require the Company to remedy the default within five (5) Business Days of the date on which the default first occurred, except in cases of a payment default and defaults under any other agreement to which the Company is a party which shall not have any cure period.

In the event the Company is unable to remedy the default within the aforesaid cure period, where applicable, and the Event of Default continues, the same shall amount to an "Acceleration Event". Upon occurrence of an Acceleration Event, the Trustee may, in its discretion, and shall, upon request in writing of the holders of the Unsecured Debentures of an amount representing not less than three-fourths in value of the nominal amount of the Unsecured Debentures for the time being outstanding under the respective Information Memorandum or by a Special Resolution duly passed at the meeting of the Debenture holders held in accordance with the provisions set out in Schedule II hereto by a notice in writing to the Company, declare the principal and all accrued interest on the Unsecured Debentures to be due and payable under the respective Information Memorandum and the Company shall forthwith make such payment to the Debenture holders as of the Record Date, in accordance with Article I of the Deed. For the avoidance of doubt, upon the occurrence of an Acceleration Event, the Debenture Trustee shall be entitled to exercise all its rights and remedies available to it under applicable law, to enforce the rights contemplated under this Deed and the Transaction Documents:-

EVENTS OF DEFAULT

a) **PAYMENT DEFAULTS**

Default of the Company in repayment of any amount payable to the Debenture holders or the Trustee under the Transaction Documents, including any amount of principal or interest prior to their respective dates of redemption or repayment as set out in this Deed.

b) **DEFAULT IN PERFORMANCE OF COVENANTS AND BREACH OF WARRANTIES**

Default has occurred in the performance of any other covenants, conditions or agreement on the part of the Company under this Deed or any other Transaction Documents by the Company and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy, or breach of representations and warranties provided for under this Deed or any other Deed.



c) **SUPPLY OF MISLEADING INFORMATION**

Any information given by the Company in its application for Unsecured Debentures, the respective Information Memorandums, in the reports and other information furnished by the Company in accordance with the reporting system and the warranties given/deemed to have been given by the Company to the Debenture holders/ Trustee is misleading or incorrect in any material respect.

d) **INABILITY TO PAY DEBTS**

If there is reasonable apprehension that the Company is unable to pay its debts.

18

Reliance Home Finance Limited 	GDA Trusteeship Limited 
--	---

contd.

e) **PROCEEDINGS AGAINST COMPANY**

The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved or is subject to any material litigation in the opinion of the Debenture holders.

f) **INABILITY TO PAY DEBTS ON MATURITY**

The Company is unable or has admitted in writing its inability to pay its debts as they mature, including within the meaning of Section 271 of the Companies Act, 2013.

g) **LIQUIDATION OR DISSOLUTION OF THE COMPANY**

The Company has taken or suffered to be taken any action for its reorganisation, liquidation or dissolution without the prior written consent of the Debenture Trustee

m) **CESSATION OF BUSINESS**

The Company suspends or ceases to carry on its business.

4.2 **NOTICE ON THE HAPPENING OF AN EVENT OF DEFAULT**

If any Event Of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event Of Default has happened, the Company shall, forthwith give notice thereof to the Debenture holders/Trustee in writing specifying the nature of such Event Of Default, or of such event.

4.3 **REGULATORY APPROVAL**

If any payment being made by the Company in relation the Unsecured Debentures, including but not limited to payment of interest, payment made on redemption of the Unsecured Debentures requires the approval of the RBI or any other regulatory authority, as the case may be, the Company undertakes and covenants that it shall forthwith take all steps for obtaining such regulatory approval from the requisite authorities.

4.4 **EXPENSES OF PRESERVATION OF ASSETS OF COMPANY AND OF COLLECTION**

All expenses incurred by the Debenture holders/Trustee upon occurrence of an Acceleration Event that has occurred in connection with:-

- i) preservation of the Company's assets (whether then or thereafter existing); and
- (ii) collection of amounts due under this Deed

shall be payable by the Company.

4.5 **RIGHT TO DISCLOSE THE NAMES OF THE COMPANY AND ITS DIRECTORS AS DEFAULTERS**

In the event of the Company committing default in the repayment of installment of the Unsecured Debentures or payment of interest on the respective due dates, the Debenture holders / Trustee shall have an unqualified right to disclose the name of the Company and its directors to RBI/ or any other statutory / regulatory authority in this behalf.



Annexure 2

(Format)

Date:

To:
Catalyst Trusteeship Ltd.

Dear Sir,

Reg: Unsecured, Subordinated, Redeemable, Non-Convertible INR Denominated Debenture Issue of Reliance Home Finance Ltd. (Issuer) under the Debenture Trust Deed of 05.06.2015 between the Issuer and Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Ltd.)

We are in receipt of your communication of 21.01.2020 under reference No:.....We have the following investments in the said debenture issue of Reliance Home Finance Ltd., in the ISINs mentioned there against:

ISIN NO:	Face Value of each Bond Rs.	No. of Bonds Held:	Face Value of Holding: Rs.

We direct that in respect of our holding:

01. Catalyst Trusteeship Ltd should declare "Event of Default" YES / NO
02. Catalyst Trusteeship should Accelerate payment of the entire amount YES / NO
03. Catalyst Trusteeship should take appropriate legal action for recovery of dues YES / NO

(Tick the selected option)

For: _____
(Name of Holder)

Signature
Name:
Designation of Authorized Signatory: