

Ref. No.: 8009

August 12, 2019

To

**Reliance Capital Limited**

Reliance Centre, 6<sup>th</sup> floor, North Wing,  
Off Western Express Highway  
Santacruz East, Mumbai – 400055

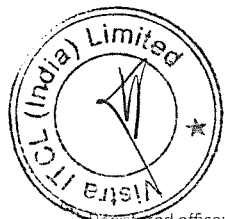
**Kind attention: Mr. Atul Tandon (Company Secretary and Compliance Officer)**

**Sub: Covenants under the Debenture Trust Deed**

**Ref: Your letter dated 22 July 2019.**

Dear Sir,

1. This is with reference to non-convertible, listed, secured debentures aggregating to Rs. 16,445.90 crore (“**Debentures**”) issued by Reliance Capital Limited, the noticee (“**Company**”) under debenture trust deeds dated 24 February 2012, 24 May 2012, 9 August 2012, 30 October 2012, 27 December 2012, 12 March 2012, 14 May 2013, 30 July 2013, 14 March 2014, 10 December 2014 24 October 2014, 21 July 2017 and 18 July 2018 (hereinafter collectively referred to as “**DTD**”) wherein we, Vistra ITCL (India) Limited (“**Debenture Trustee**”), are acting in the capacity of and as a debenture trustee for and on behalf of the debenture holder(s).
2. Capitalised words used, but not defined herein, shall have the meaning given to them in the DTD and/ or the other documents/ agreements executed in respect of the Debentures
3. Pursuant to the DTDs, the Company was, *inter alia*, required to comply with various terms and conditions as set out in the DTDs, including but not limited to the financial and non-financial covenants, representations and warranties *et al*. Further, Clause 11 of the DTD(s) describes a number of events the non-compliance of which shall lead to Event of Default.
4. As you are aware, the Debenture Trustee was provided with a Quarterly Compliance Report (“**QCR**”) for the quarter ended March 2019. However, the annexures for the following, along with the QCR, was not provided: (i) Audited/unaudited Financials for the FY ended March 2019; (ii) CA Certificate on the Security Cover; and (iii) CA Certificate giving value of book debts / receivables, etc.
5. Considering that interest of the Debenture Holders in the Debentures is at stake, in our opinion, the response received from the Company *vide* letter dated 22 July 2019 cannot be considered as ‘*satisfactory*’.



Registered office:

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6. Furthermore, basis various information available with us regarding the Company and/or its subsidiaries, amongst others, the following: (i) resignation of the statutory auditor; (ii) downgrade in credit rating from A to BBB; and (iii) sale of various assets/businesses of the Company, we are not able to determine and confirm whether the financial and/or non-financial covenants under the DTDs are being met as on date, thereby raising a strong concern on whether the interest of the Debenture Holders is/will remain safe.
7. In light of the facts stated in para 6 above, in the absence of the relevant information required from the Company for determining the current position on Debentures and upon requests received from some debenture holders, we, in our capacity as a prudent Debenture Trustee, are entitled to take all necessary actions under the DTDs and/or applicable law/s in order to safeguard the interest of the Debenture Holders, including but not limited to directing you to appoint a Nominee Director (whose profile would be shared with you, when required), to represent the interest of the Debenture Holders and reinforce the confidence of the Debenture Holders in the Debentures. Accordingly, we hereby instruct you to also take cognizance of the proposal that a Nominee Director may be required to be appointed shortly, make necessary arrangements for the same in the forthcoming Board Meeting and confirm to us upon completion of the same. Additionally, in view of the unsatisfactory response received from you and abovementioned recent developments, we are in the process of convening the Meeting of the Debenture Holders, wherein any further course of action/s may be decided. We advise you to attend the same. The notice for the said meeting will be provided to you shortly.
8. Please note that upon non-receipt of the information/confirmation requested above within seven (7) days from receipt of this letter, we may be compelled to take further actions under the DTDs and/or the applicable law/s.
9. Please note that this Notice is without prejudice to and/ or without impairing or affecting any of the rights that may be available to us / holders of the Debentures, against the Company, under the documents pertaining to the Debentures and / or under law for the time being in.

Yours faithfully,

**Vistra ITCL (India) Limited**

  
**(Authorized Signatory)**

