

January 23, 2020



Ref. no.: 613

✓ To,  
**RELIANCE CAPITAL LIMITED**  
Reliance Centre, 6<sup>th</sup> floor, North Wing,  
Off Western Express Highway  
Santacruz East, Mumbai - 400055

**Kind attention: Mr. Amit Bapna**

**Subject: Meeting of Debenture Holders dated 17<sup>th</sup> January 2020.**

Dear Amit,

1. This is in reference to the meeting of Debenture Holders organised by Reliance Capital Limited (“**Company**”) on 17<sup>th</sup> January 2020 at Reliance Centre, 6<sup>th</sup> floor, North Wing, Off Western Express Highway Santacruz East, Mumbai - 400055 (“**Meeting**”), which was also attended by Vistra ITCL (India) Limited (“**Debenture Trustee**”).
2. In respect of the said Meeting please note the following:
  - (i) **Unsatisfactory responses:**

At the said meeting, the debenture holders present and attending the Meeting, raised several queries with respect to the financial position, assets, resolution plan etc. Please be advised that the Debenture Holders had expressed thorough dissatisfaction to your responses at the Meeting and also expressed to us thereafter.
  - (ii) **Abrupt end:**

It may be noted that while the Debenture Holders were still in the process of seeking clarification on their queries and seeking responses, you, ignored the said questions and chose to abruptly adjourn the Meeting (as you had also done in the meeting dated 14<sup>th</sup> January 2020 for Reliance Commercial Finance Limited), while the Debenture Holders were still posing their queries. It is unethical and indeed unprofessional that without discussing the stipulated agenda of the Meeting in entirety, you adjourned the Meeting, thereby disregarding your duty and obligation towards the Debenture Holders.
  - (iii) **No resolution plan:**

Despite organising the meeting of the Debenture Holders twice, you have failed to provide any ‘Resolution Plan’ to the Debenture Holders, which should have been the very idea behind arranging the meetings. We would like to inform you that owing to your conduct, the Debenture Holders have started to question whether you even have any intention of formulating the Resolution Plan or is it only a delay tactics by keeping the Debenture Holders engaged while you exhibit the false hopes.
  - (iv) **Incorrect intimation to the Stock Exchange**

After the meeting dated 6<sup>th</sup> December 2019, you had wilfully made an erroneous intimation to the Stock Exchanges, stating that at the request of the Debenture Holders, the meeting was adjourned. We notice that you have still not corrected that error, which puts your entire demeanour into question. We express our serious concern at your misleading communication to stock exchanges where you have stated that debenture holders adjourned meeting, while the facts are otherwise.

In the interest of the Debenture Holders, we can provide you assistance in correcting the declaration to the Stock Exchanges by writing to them directly.

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(v) **Non-inclusion of Forensic Audit:**

Even though we had intimated to you in advance upon the request of Debenture Holders, you chose to exclude conducting of forensic audit as an agenda of the Meeting for reasons best known to you.

(vi) **Withdrawal of DRT proceeding:**

With respect to the agenda of withdrawal of DRT proceeding, the Debenture Holders present at the Meeting were very clear that without having any visibility on the offer to be made under the Resolution plan, they will not take a call on the withdrawal of DRT proceeding. In this light, you should consider it of paramount importance to formulate and circulate the Resolution Plan. We would like to put on record that there was no resolution passed to this effect by the Debenture Holders present at the Meeting which may even remotely suggest that DRT proceeding need to be withdrawn.

Also, we hereby put you to notice to clarify the intent behind not attending the DRT hearings dated 26<sup>th</sup> December 2019, 6<sup>th</sup> January 2020 and 17<sup>th</sup> January 2020. On 17<sup>th</sup> January 2020, there was nobody present from the Company and your representative merely stated that the written statement would be filed not before 28<sup>th</sup> February 2020. Please clarify your rationale behind this treating the sanctity of a legal proceeding with such disdain and rendering it ineffective, which will end up defeating the interest of the Debenture Holders.

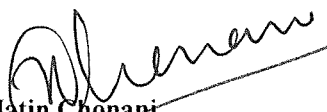
(vii) **Failure to correct misleading statement:**

At the meeting held on 6<sup>th</sup> December 2019, it was answered by you to one of the Debenture Holders that the shares of Reliance Nippon Life Asset Management (“**RNAM**”) were sold by the Company upon receiving the No-objection (“**NOC**”) from the Debenture Trustee. In this regard, we had objected to the same, putting it on record that the Debenture Trustee had neither received any request for issuing NOC for sale of RNAM; nor did it issue any NOC for sale of RNAM shares. However, we note that you are yet to correct that misleading statement and we hereby reiterate our instruction to rectify the same.

3. Please note that the content of this letter is without prejudice to any of the rights that may be available to us and/or the Debentures Holders, against the Issuer under the Transaction Documents and/or any applicable law for the time being in force.

Yours faithfully,

**Vistra ITCL (India) Limited**

  
**Jatini Chonani**  
**Compliance Officer**

Cc:

<p>Shri Ashok Narain                  Chief General Manager                  Reserve Bank of India                  Department of Non-Banking Supervision                  Central Office, World Trade Centre,                  Centre 1, 2nd Floor, Cuffe Parade,                  Colaba, Mumbai- 400005</p>	<p>Ms. Surabhi Gupta                  General Manager                  Market Intermediaries Regulation &amp;                  Supervision Department-4,                  Securities and Exchange Board of India,                  SEBI Bhavan, Plot No. C4-A, G Block,                  Bandra Kurla Complex,                  Bandra (East), Mumbai – 400 051</p>
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