

Reliance Capital Limited
Reliance Centre, 6th Floor, North Wing
Off Western Express Highway
Santacruz (East), Mumbai - 400 055.

T +91 22 4303 1000
F +91 22 4303 6664

September 16, 2019

Vistra ITCL (India) Limited

The IL&FS Financial Centre,
Plot C-22, G Block, Bandra-Kurla Complex,
Bandra East, Mumbai 400 051

Dear Sir(s),

Subject: Meeting of Debenture Holders

We are in receipt of your letter dated August 27, 2019 with respect to: Meeting of Secured Debenture Holders held on August 23, 2019.

At the outset please be informed that the Company had submitted the Quarterly Compliance Report (QCR) for financial year ended March 31, 2019 and for the quarter ended June 30, 2019 on August 16, 2019 and the Company is in compliance with the all applicable laws with respect issuance of NCDs and clauses of various Trust Deed for issue of debentures.

As regards the information / details/ statements sought by you vide your above referred letter, with respect to queries raised by the debenture holders at their meeting held on August 23, 2019, please find below the same:



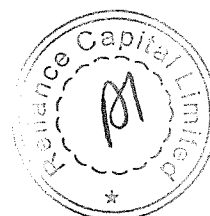
1. With respect to point no. 1 and 2 of the Letter, statement of the total outstanding borrowings of the Company with specific bifurcation on secured and unsecured Debentures is attached as **Annexure 1** for your reference.
2. With respect to point no. 3 of the Letter, details on 'Reduction on account of specific charge' in the Certificate issued by M/s M.S. Sethi Associates, Chartered Accountants, for June 30, 2019, please note that the Company has created specific charge on the shares held by the Company in Reliance Nippon Life Asset Management Limited and Reliance General Insurance Company Limited.

We would like to submit, that even post this specific charge creation and satisfying the asset cover requirements of our lenders, the Company has surplus assets to the tune of Rs 1,919 crore.

3. With respect to point no. 4 of the Letter, details of 'asset value' given in CA Certificate provided on August 16, 2019, is attached as **Annexure 2** for your reference.
4. With respect to point no. 5 of the Letter, the Company being a Non-Deposit taking Systemically Important - Non-Banking Finance Company - Core Investment Company (NBFC – NDSI – CIC), duly registered with Reserve Bank of India, is allowed to have all its exposures only in its group companies. The details of the total lending / investments to group Companies is attached as **Annexure 3** for your reference.
5. With respect to point no. 6 of the Letter, we submit that statement of 'Asset-Liability Management' of the Company as on March 31, 2019 is provided in the Annual Report and the same can be referred to on note number 45 on page number 105 and 106 of the Annual Report of the Company for the Financial Year 2018-19. The same is attached as **Annexure 4**

With respect to the project cash flow statement we submit that the Company being a Listed Entity, we will not be able to share / provide the cash flow projections.

6. With respect to point no. 7 of the Letter, we submit that the Company being a NBFC continues to do business in the ordinary course. In the ordinary course of business, the



Company makes loans/investments and also recovers outstanding loans. The Company also borrows funds and remains committed to timely service all its debt obligations.

7. With respect to point no. 8 of the Letter, we submit that the alleged basis relied upon by PWC for reporting under Section 143(12) is itself grossly inadequate and does not even point to a single specific instance of alleged fraud.

The Board of Directors of the Company at its special meeting held on August 8, 2019, reviewed the matters arising out of the letter filed by Price Waterhouse & Co., Chartered Accountants LLP (PWC) with the Ministry of Corporate Affairs (MCA), under Section 143(12) of the Companies Act, 2013.

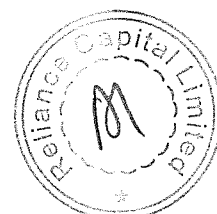
The Board took note of the views of the other joint auditors, who have been auditors of the Company for the last 3 financial years and continue as the sole Statutory Auditors of the Company, confirming that there are no violations as alleged by PWC under Section 143(12) of the Companies Act, 2013.

The Board also took note of the views of legal experts who independently carried out an in-depth examination of the matter and the issues raised by PWC. The Board noted the independent legal opinion from reputed law firm confirming that there was no violation attracting Section 143(12) of the Companies Act, and which concluded that the PWC letter is devoid of any rationale or basis and is invalid.

The Board noted the independent legal opinion from senior counsel re-confirming that there were no violations attracting Section 143(12) of the Companies Act, and which concluded that the PWC letter is devoid of any rationale or basis and is invalid.

The Board considered all facts including:

- PWC had chosen not to attend the Audit Committee meeting on June 12, 2019 despite being invited to do so;
- PWC abruptly resigned at the unearthly hour of 4.32 am on June 11, 2019;



- After resigning and ceasing to be the auditor of the Company, PWC filed its letter with MCA later the same day; and
- PWC did not even share a copy of its letter with the Company or even with the Board's independent Audit Committee, despite repeated requests by the Company.

The Board reaffirmed to take all appropriate steps to safeguard the interests of all stakeholders.

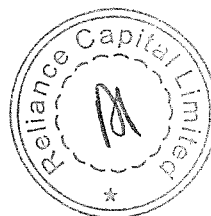
The statement issued by the Company is attached as Annexure 5.

8. With respect to point no. 9 of the Letter, detailed break-up of the 'Receivables', which are provided as a security to the Debentures is attached as Annexure 6 for your reference.
9. With respect to point no. 10 of the Letter, please note that the Company is committed to honor its debt obligations as per the schedule of maturity. The Company is in the process of monetising its entire stake in Reliance Nippon Life Asset Management Limited (RNLAM) for ~Rs 6,000 Crore out of which the Company has already realised Rs. 1,450 crore through the Offer for Sale by selling 10.75% shareholding in RNLAM.

The Company has also announced its plans to monetise its stake in Reliance General Insurance Company Limited (which is presently 100% owned) and the DRHP has been filed with SEBI.

The Company's asset monetisation plan is on track and the company has been working diligently to ensure timely debt repayments. The Company remains committed to fulfil all its obligations in a timely manner.

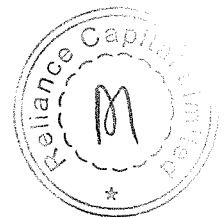
10. With respect to point no. 11 of the Letter, please note that the entire Reliance Nippon Life Asset Management Company Limited stake monetization proceeds of ~ Rs. 6,000 crore (~ US \$ 860 million) receivable from the Offer for Sale and the already announced



transaction with Nippon Life Insurance Company of Japan will be utilised to reduce Reliance Capital's outstanding debt obligations.

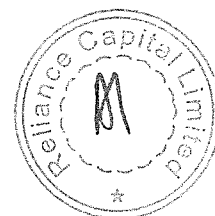
11. With respect to point no. 12 of the Letter, outstanding Inter Corporate deposit accepted by the Company is already provided in Annexure 1.
12. With respect to point no. 13 of the Letter, 'Asset-Liability ratio' of the Company as on March 31, 2019 is 0.70:1.
13. With respect to point no. 14 of the Letter, we submit that post receipt of NOC from the Debenture Trustee, only 10.75% of Company's shareholding in RNAM has been monetized by the Company. The entire Reliance Nippon Life Asset Management Company Limited stake monetization proceeds of ~ Rs. 6,000 Crore (~US \$ 860 million) receivable from the Offer for Sale and the already announced transaction with Nippon Life Insurance Company of Japan will be utilised to reduce Reliance Capital's outstanding debt.
14. With respect to point no. 15 of the Letter, details of specific 'security' created for underlying loans/borrowings post-November 2018; is attached as Annexure 7 for your reference.
15. With respect to point no. 16 of the Letter, we wish to submit that the Company is in the process of monetising its entire stake in Reliance Nippon Life Asset Management Limited (RNLAM) for Rs 6,000 crore out of which the Company has already realised Rs. 1,450 crore through the Offer for Sale by selling 10.75% shareholding in RNLAM.

The Company has also announced its plans to monetise its stake in Reliance General Insurance Company Limited (which is presently 100% owned) and the DRHP has been filed with SEBI.



The Company's asset monetization plan is on track and the company has been working diligently to ensure timely debt repayments. The Company is committed to fulfil all its obligations in a timely manner.

16. With respect to point no. 17 of the Letter, statement for the 'guarantees ' provided by Issuer to or on behalf of group companies' total borrowings and Contingent liabilities of the Issuer in relation to the same is attached as Annexure 8 for your reference.
17. With respect to point no. 18 of the Letter, we submit that the Company is in compliance with the applicable laws and regulation, except for the publication of Financial Results for the quarter and year ended March 31, 2109. The delay in publication of financial results of the Company was due to the resignation of Auditors of the Company's subsidiaries namely Reliance Home Finance Limited and Reliance Commercial Finance Limited, the financial statements whereof were required to be consolidated with the Company. The Audited results of the Company as on March 31, 2019 and media release with respect to the said Results is attached as Annexure 9 for your reference
18. With respect to point no. 19 of the Letter, the Company being a Non-Deposit taking Systemically Important - Non-Banking Finance Company - Core Investment Company (NBFC – NDSI – CIC), duly registered with Reserve Bank of India, is allowed to invest only in its group companies. Details of the receivables from the group Companies is attached as Annexure 10 for your reference.
19. With respect to point no. 20 of the Letter, please note that the Company is exposed to liquidity risk principally, as a result of lending and investment for periods which may differ from those of its funding sources. Treasury teams actively manage asset liability positions in compliance with the ALM policy of the company laid down in accordance overall guidelines issued by RBI in the Asset Liability Management (ALM) framework.
20. With respect to point no. 21 of the Letter, please find enclosed the Audited results of the Company as on March 31, 2019 and media release with respect to the said Results as Annexure 9 for your reference.



We submit that the Company is in compliance with all the provisions of the Debenture Trust Deeds and has submitted all the required information and confirmations from time to time to the Trustee.

Please let us know if you need any further details in this regard.

Thanking you.

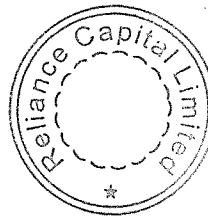
Yours faithfully,

For Reliance Capital Limited



Atul Tandon

Company Secretary & Compliance Officer

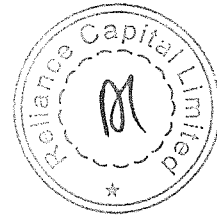


Encl: As Above

Annexure I**Reliance Capital Limited**

**Statement on total outstanding borrowings (Debentures / Inter-corporate deposits) as on
June 30, 2019:**

Instrument	Amount (Rs. Crore)	%
Commercial Paper	75	0.41
Non Convertible Debentures	14,384	78.16
Unsecured Non Convertible Debentures (Tier – II)	1,405	7.63
Market Linked Non Convertible Debentures	544	2.96
Term Loan	1,120	6.09
Inter Corporate Deposits	875	4.75
Total	18,403	100



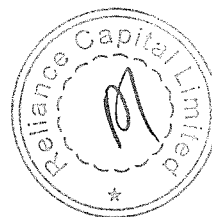
Annexure 2

Reliance Capital Limited

Details of asset value of security as on June 30, 2019

Particulars	Amount (in Rs crore)
Investments	19,867
Investment Property	106
Loans	7,565
Other financials assets	203
Trade receivables	2
Other non financial assets	308
Total Value of Security	28,051

Note: Financials are prepared under Ind AS were all assets and liabilities are fair valued or carried at deemed cost

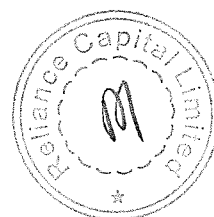


Annexure 3

Reliance Capital Limited

**Detailed information on the total lending/investments to group associates as on
June 30, 2019**

Particulars	Amount (in Rs crore)	Amount (in Rs crore)
Loans (net of ECL)		7,565
Investment		19,693
Investments in Equity shares	19,169	
Investments in preference shares	416	
Investments in debentures or bonds	100	
Investment in Pass Through Certificates	8	
Total		27,258



Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

- 6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)

(₹ in crore)

Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a) Related parties				
1) Subsidiaries	15 398	16 010	15 621	15 513
2) Companies in the same group - Associates	5 582	6 572	5 208	5 206
3) Other related parties	-	65	-	65
b) Companies in the same group - as per CIC	142	3 521	142	3 521
b) Other than related parties	214	266	214	266
Total	21 336	26 434	21 185	24 571

- 7) Other information (₹ in crore)

Particulars	March 31, 2019	March 31, 2018
a) Gross Non Performing Assets		
1) Related Parties	-	1 000
2) Other than Related Parties	586	3 877
b) Net Non Performing Assets		
1) Related Parties	-	-
2) Other than Related Parties	-	-
c) Assets Acquired in satisfaction of Debt	-	-

Notes :

- a) In case of unquoted investments, in the absence of market value book value has been considered.
b) Gross Non Performing Assets and Net Non Performing Assets given above includes loans.

45 Disclosure of details as required by Para 19 of Core Investment Companies (Reserve Bank) Directions, 2016 (RBI CIC Directions)**i) Maturity pattern of asset and liabilities (At Book Values)**

(₹ in crore)

Particulars	Financial Year	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities										
Borrowings from bank / financial institutions	2018-19	-	5	-	5	-	205	238	352	805
	2017-18	-	-	-	-	5	138	238	234	615
	2016-17	-	-	-	-	-	-	-	-	-
Market borrowings	2018-19	596	1 029	705	124	668	4 152	1 865	9 645	18 784
	2017-18	458	758	116	673	584	3 996	4 547	8 960	20 092
	2016-17	271	1 651	858	603	1 621	3 062	2 932	7 675	673
Other financial liabilities	2018-19	240	199	16	205	220	139	-	-	1 019
	2017-18	163	22	55	325	393	45	-	-	1 003
	2016-17	166	184	16	195	219	17	-	-	797
Assets										
Cash and cash equivalent	2018-19	2	-	-	-	-	-	-	-	2
	2017-18	2 942	-	-	-	-	-	-	-	2 942
	2016-17	2 517	-	-	-	-	-	-	-	2 517

Reliance Capital Limited

Notes to the Standalone Financial Statement for the year ended March 31, 2019

(₹ in crore)										
Particulars	Financial Year	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Bank balance other than cash and cash equivalents above	2018-19	22	-	-	8	17	-	-	-	47
	2017-18	21	-	-	5	15	25	-	-	66
	2016-17	19	-	125	15	1 528	8	-	-	1 695
Trade receivables	2018-19	3	-	-	-	-	-	-	-	3
	2017-18	4	-	-	-	-	-	-	-	4
	2016-17	-	-	-	-	-	-	-	-	-
Loans	2018-19	-	-	30	-	86	6 441	-	-	6 557
	2017-18	117	-	24	-	510	2 757	-	-	3 408
	2016-17	53	-	29	18	1 040	5 134	-	-	6 274
Investments	2018-19	71	-	-	5 128	-	-	-	15 986	21 185
	2017-18	-	-	-	-	-	5 255	-	19 316	24 571
	2016-17	6	-	-	-	-	6 104	-	18 745	24 855
Other financial assets	2018-19	1 332	-	7	5	2	26	-	-	1 373
	2017-18	651	22	1	-	36	21	-	-	731
	2016-17	11	-	1	-	6	63	-	-	82

Notes:

- All quoted investments have been included in 1 day to 30/31 days (one month) bucket considering its liquidity. All unquoted equity shares / warrants including investment in subsidiaries have been included in 'Over 5 years'. The maturity pattern has been prepared in line with various regulations issued by RBI from time to time, best practices & based upon best estimate of the management with regard to the timing of various cashflows.
- The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013. The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system as per CIC directions issued by RBI, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors.

ii) Exposure to Real Estate

(₹ in crore)		
Category	2018-19	2017-18
a) Direct Exposure		
i) Residential Mortgage	-	-
ii) Commercial Real Estate	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial	-	-
b) Indirect Exposure		
Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	896	896
TOTAL	896	896

Notes:

- For the exposure to real estate only loans secured by way of mortgage/hypothecation of housing properties, commercial properties and land are considered.
- In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

RELIANCE

CAPITAL

MEDIA RELEASE

**RELIANCE CAPITAL'S BOARD NOTED THE JOINT STATUTORY AUDITORS' VIEW OF
'NO VIOLATION' UNDER SECTION 143(12) OF THE COMPANIES ACT**

**RELIANCE CAPITAL'S BOARD ALSO NOTED
INDEPENDENT AND REPUTED LAW FIRM'S OPINION CONFIRMING
'NO VIOLATION' UNDER SECTION 143(12) OF THE COMPANIES ACT**

**RELIANCE CAPITAL'S BOARD ALSO NOTED SENIOR COUNSEL'S OPINION FURTHER
CONFIRMING - 'NO VIOLATIONS' UNDER SECTION 143(12) OF THE COMPANIES ACT**

**RELIANCE CAPITAL'S BOARD FURTHER NOTED THAT THE ALLEGED BASIS RELIED
UPON BY PWC FOR REPORTING UNDER SECTION 143(12) IS ITSELF GROSSLY
INADEQUATE, AND DOES NOT EVEN POINT TO A SINGLE SPECIFIC INSTANCE
OF ALLEGED FRAUD**

**PWC RESIGNED AS AUDITOR AT EARLY MORNING 4.32 AM ON JUNE 11, 2019, AND
THEREAFTER FILED LETTER WITH MCA WITHOUT EVEN SHARING A COPY WITH THE
COMPANY OR WITH THE BOARD'S INDEPENDENT AUDIT COMMITTEE**

**RELIANCE CAPITAL'S BOARD CONCLUDED - THERE ARE NO VIOLATIONS UNDER
SECTION 143(12) OF THE COMPANIES ACT, AS ALLEGED BY PWC**

**RELIANCE CAPITAL'S BOARD REAFFIRMED TO TAKE ALL APPROPRIATE STEPS TO
SAFEGUARD THE INTERESTS OF ALL STAKEHOLDERS**

Mumbai, August 8, 2019: The Board of Directors of Reliance Capital Limited today held its special meeting to review the matters arising out of the letter filed by Price Waterhouse & Co., Chartered Accountants LLP (PWC) with the Ministry of Corporate Affairs (MCA), under Section 143(12) of the Companies Act, 2013.

The Board took note of the views of the other joint auditors, who have been auditors of the Company for the last 3 financial years and continue as the sole Statutory Auditors of the Company, confirming that there are no violations as alleged by PWC under Section 143(12) of the Companies Act, 2013. The Board also noted that PWC had duly audited the accounts for the financial year 2017 – 2018, as also limited review of financial results of three consecutive quarters ended December 2018, without any qualifications or raising any concerns.

The Board also took note of the views of legal experts who independently carried out an in-depth examination of the matter and the issues raised by PWC. The Board noted the independent legal opinion from reputed law firm confirming that there was no violation attracting Section 143(12) of the Companies Act, and which concluded that the PWC letter is devoid of any rationale or basis and is invalid.

The Board noted the independent legal opinion from senior counsel re-confirming that there were no violations attracting Section 143(12) of the Companies Act, and which concluded that the PWC letter is devoid of any rationale or basis and is invalid.

The Board further noted that the alleged basis relied upon by PWC for reporting under Section 143(12) is itself grossly inadequate, and does not even point to a single specific instance of alleged fraud.

The Board considered all facts including:

- PWC had chosen not to attend the Audit Committee meeting on June 12, 2019 despite being invited to do so;
- PWC abruptly resigned at the unearthly hour of 4.32 am on June 11, 2019;
- After resigning and ceasing to be the auditor of the Company, PWC filed its letter with MCA later the same day; and
- PWC did not even share a copy of its letter with the Company or even with the Board's independent Audit Committee, despite repeated requests by the Company.

The Board reaffirmed to take all appropriate steps to safeguard the interests of all stakeholders.

About Reliance Capital Limited

www.reliancecapital.co.in

Reliance Capital Limited, a part of the Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of MSCI Global Small Cap Index.

Reliance Capital has interests in asset management and mutual funds; life, health and general insurance; commercial and home finance; stock broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services.

 /RelianceCapital

 @RelianceCapital

For media queries, please contact:

Arijit De

Arijit.de@relianceada.com

+91 8291112119

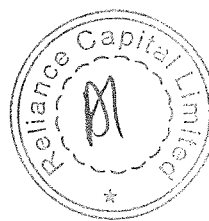
Annexure 6

Reliance Capital Limited

Details of Receivables which are provided as a security

Particulars	Amount in Rs crore
Investments	19,867
Investment Property	106
Loans	7,565
Other financial assets	203
Trade receivables	2
Other non financial assets	308
Total Receivables	28,051

Note: Financials are prepared under Ind AS where all assets and liabilities are fair valued or carried at deemed cost

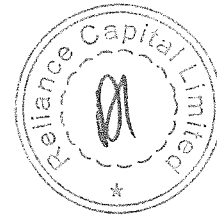


Annexure 7

<https://hkgvistra.sharefile.com/d-s65228191e8b4104b>

Anexure 8**Reliance Capital Limited****Status of Corporate Guarantees issued by the Company
as on March 31, 2019**

Sr. No.	In favour of	Amount (Rs. In Crore)
1	Reliance Commercial Finance Limited	200.00
2	Reliance Broadcast Network Limited	1,133.55
3	Reliance Big Entertainment Private Limited	41.01
4	Reliance Business Broadcast News Holdings Limited	850.00
5	Business Broadcast News Private Limited	11.50
6	Global Wind Power Limited	10.86
7	Reliance Transport & Travels Private Limited	10.00
8	Reliance Interactive Advisors Private Limited	850.00
9	Reliance Infratel Limited	432.69
10	Prime Focus Limited	100.00
11	Reliance MediaWorks Financial Services Private Limited	638.20
	Total	4,277.81



Annexure 9

<https://hkgvistra.sharefile.com/d-s65228191e8b4104b>

Reliance Capital Limited

Details of Receivables in the group companies as on June 30, 2019

Particulars	Amount in Rs crore	Amount in Rs crore (Group companies)	Amount in Rs crore (Non- group companies)
Investments	19,867	19,693	174
Investment Property	106	-	106
Loans	7,565	7,565	-
Other financial assets	204	204	-
Trade receivables	2	-	2
Other non financial assets	308	-	308
Total Receivables	28,051	27,462	589

