



Private and confidential

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For the exclusive use of

Reliance Home Finance Limited

(the “**Company**” or the “**Issuer**”)

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INFORMATION MEMORANDUM OF PRIVATE PLACEMENT FOR ISSUE OF 160 RATED, LISTED, SECURED, REDEEMABLE, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES (“NCDs”/ “DEBENTURES”), OF FACE VALUE OF RS. 5,00,000/- (RUPEES FIVE LAKH ONLY) EACH FOR CASH AGGREGATING TO RS. 8,00,00,000/- (RUPEES EIGHT CRORE ONLY) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION AGGREGATING TO RS. 10,00,00,000/- (RUPEES TEN CRORE ONLY) ON A PRIVATE PLACEMENT BASIS (THE “ISSUE”).

RISKS IN RELATION TO ISSUE

There has been no formal market for the securities of the Issuer. No assurance can be given regarding an active or sustained trading in the securities of the Issuer or regarding the price at which the securities will be traded after listing.

GENERAL RISKS

Investment in the Debentures involves a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment if the Debentures are not held till maturity or for any reason have to be sold or redeemed before the Final Redemption Date (as defined below). Before taking an investment decision, Investors must rely on their own examination of the Issuer and the offer including the risks involved. The Debentures have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of risk factors set out in this disclosure document of private placement in relation to the issue of Debentures on private placement basis (“**Information Memorandum**”). This Information Memorandum has not been submitted, cleared or approved by SEBI. It should be clearly understood that the Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information as regards the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and



intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Any person placing reliance on any other source of information would be doing so at their own risk.

CREDIT RATING

CARE PP-MLD AA+ (PP-MLD DOUBLE A PLUS) by CREDIT ANALYSIS & RESEARCH LIMITED (“CARE”), for **borrowings** upto on aggregate amount of Rupees 150 Crores [Rupees One Hundred Fifty Crores] only.

Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The rating(s) of any Series is not a recommendation to buy, sell or hold securities and investors should take their own decisions. CARE's ratings are opinions on credit quality and are not recommendations to buy sell or hold any security. CARE has based its ratings on information obtained from sources believed by them to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers' securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued. The rating may be subject to revision or withdrawal at any time by the rating agency on the basis of new information. Each rating should be evaluated independently of any other rating. The rating agency has a right to suspend, withdraw the rating at any time on the basis of new information, etc.

MEMORANDUM OF PRIVATE PLACEMENT





This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure, in the form of a single initial disclosure document, intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. This Information Memorandum is in compliance with the applicable requirements of the regulatory authorities and has been prepared giving details as on March 31, 2015. The Issuer however retains the right, at its sole and absolute discretion, to change the 'GENERAL TERMS AND CONDITIONS'.

NHB DISCLAIMER

The National Housing Bank (“NHB”) does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for discharge of liability by the company.

LISTING

The above NCDs of the Company are proposed to be listed on the Wholesale Debt (“WDM”) Segment of the BSE Limited (“BSE”).

REGISTRAR AND TRANSFER AGENT	DEBENTURE TRUSTEE
 <p>Karvy Computershare Private Limited Karvy Selenium, Tower – B, 7th Floor, Plot no. 32 & 33, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda Serilingampally Mandal, Ranga Reddy District Hyderabad – 500 081, Telengana Tel : +91-40-67162222 Fax: +91-40-67161791 Email: mis.radag@karvy.com</p>	 <p>IDBI Trusteeship Services Ltd.</p> <p>Regd. Office : Asian Building, Ground Floor, 17, R. Kaman Marg, Ballard Estate, Mumbai - 400 001.</p>
RATING AGENCY	VALUATION AGENCY
 <p>Credit Analysis and Research Ltd. Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022 Tel: 91 (22) 6754 3456; Fax: 91 (22) 6754 3457; Website: www.careratings.com, Email: care@careratings.com</p>	 <p>Credit Analysis and Research Limited. Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Tel: 91 (22) 6754 3456; Fax: 91 (22) 6754 3457 Website: www.careratings.com; Email: care@careratings.com</p>
ISSUE SCHEDULE	
<p>Issue Open Date : 24th June 2015</p> <p>Issue Close Date / Pay-In Date(s) : 24th June 2015</p> <p>The Company reserves the right to change the above Issue Schedule, with the understanding that the Issue Close Date / Pay-in Date may be rescheduled, at the sole discretion of the Company, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date shall be communicated to each investor in the allotment advice (“Allotment Advice”).</p>	



GENERAL DISCLAIMER

THIS INFORMATION MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THE ISSUE OF DEBENTURES IN ONE OR MORE SERIES, TO BE LISTED ON THE [WDM] SEGMENT OF THE [BSE] IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. MULTIPLE COPIES HEREOF GIVEN TO THE SAME ENTITY SHALL BE DEEMED TO BE GIVEN TO THE SAME PERSON AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE DEBENTURES TO THE PUBLIC IN GENERAL. APART FROM THIS INFORMATION MEMORANDUM, NO INFORMATION MEMORANDUM OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE ISSUER NOR IS SUCH AN INFORMATION MEMORANDUM REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS INFORMATION MEMORANDUM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED.

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE ISSUER TO POTENTIAL INVESTORS TO WHOM IT IS SPECIFICALLY ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE DEBENTURES AND DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY POTENTIAL INVESTOR MAY REQUIRE. NEITHER DOES THIS INFORMATION MEMORANDUM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE DEBENTURES PURPORT TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION AND ANY RECIPIENT OF THIS INFORMATION MEMORANDUM SHOULD NOT CONSIDER SUCH RECEIPT A RECOMMENDATION TO PURCHASE ANY DEBENTURES. EACH POTENTIAL INVESTOR CONTEMPLATING THE PURCHASE OF ANY DEBENTURES SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE ISSUER, AND ITS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE ISSUER.

POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE DEBENTURES AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

THE INFORMATION RELATING TO THE COMPANY CONTAINED IN THIS INFORMATION MEMORANDUM IS BELIEVED BY THE COMPANY TO BE ACCURATE IN ALL RESPECTS AS OF THE DATE HEREOF.

IT IS THE RESPONSIBILITY OF POTENTIAL INVESTORS TO ALSO ENSURE THAT THEY WILL SELL/TRANSFER THESE DEBENTURES IN STRICT ACCORDANCE WITH THIS INFORMATION MEMORANDUM AND OTHER APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT. NONE OF THE INTERMEDIARIES OR THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE ISSUER DURING THE LIFE OF THE ARRANGEMENTS CONTEMPLATED BY THIS INFORMATION MEMORANDUM OR HAVE ANY RESPONSIBILITY TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE DEBENTURES OF ANY INFORMATION AVAILABLE WITH OR SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES, AGENTS OR ADVISORS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS INFORMATION MEMORANDUM OR IN ANY MATERIAL MADE AVAILABLE BY THE ISSUER TO ANY POTENTIAL INVESTOR PURSUANT HERETO AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER. THE INTERMEDIARIES AND THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE HAVE NOT SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN TO BE ISSUED HEREAFTER OR ANY OTHER INFORMATION (WRITTEN OR ORAL) TRANSMITTED OR



MADE TO ANY POTENTIAL INVESTOR IN THE COURSE OF EVALUATION OF THE ISSUE. ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY OR DUTY OF CARE IS OR WILL BE ACCEPTED BY ANY SUCH INTERMEDIARY AND/OR ANY OF ITS AFFILIATES AS TO THE ACCURACY, FAIRNESS OR COMPLETENESS OR OTHERWISE OF THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM OR ANY OTHER INFORMATION PROVIDED BY THE ISSUER. ACCORDINGLY, ALL SUCH INTERMEDIARIES ASSOCIATED WITH THIS ISSUE SHALL HAVE NO LIABILITY IN RELATION TO THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM OR ANY OTHER INFORMATION PROVIDED BY THE ISSUER IN CONNECTION WITH THE ISSUE.

NEITHER THE SOLE ARRANGER NOR ANY OTHER INTERMEDIARIES NOR ANY OF THEIR AFFILIATES OR THEIR RESPECTIVE DIRECTORS, EMPLOYEES, OFFICERS OR AGENTS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE SUFFERED BY ANY PERSON AS A RESULT OF RELYING ON ANY STATEMENT IN OR OMISSION FROM THIS INFORMATION MEMORANDUM OR IN ANY OTHER INFORMATION OR COMMUNICATIONS MADE IN CONNECTION WITH THE DEBENTURES OR THE ISSUE.

THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE INTENDED TO BE USED ONLY BY THOSE POTENTIAL INVESTORS TO WHOM IT IS DISTRIBUTED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED OR TRANSMITTED IN ANY MANNER WHATSOEVER BY THE RECIPIENT.

EACH COPY OF THIS INFORMATION MEMORANDUM AND THE APPLICATION FORM WILL BE SERIALLY NUMBERED AND THE PERSON TO WHOM A COPY OF THE INFORMATION MEMORANDUM IS ADDRESSED WOULD ALONE BE ENTITLED TO APPLY FOR THE DEBENTURES. NO INVITATION IS BEING MADE TO ANY PERSON OTHER THAN THOSE TO WHOM APPLICATION FORMS ALONG WITH THIS INFORMATION MEMORANDUM HAVE BEEN ADDRESSED. ANY APPLICATION BY A PERSON TO WHOM THE INFORMATION MEMORANDUM AND/OR THE APPLICATION FORM HAS NOT BEEN ADDRESSED BY THE ISSUER SHALL NOT BE ELIGIBLE TO INVEST IN THE ISSUE AND SUCH APPLICATION SHALL BE REJECTED WITHOUT ASSIGNING ANY REASON.

THE PERSON WHO IS IN RECEIPT OF THIS INFORMATION MEMORANDUM MUST MAINTAIN UTMOST CONFIDENTIALITY REGARDING THE CONTENTS OF THIS INFORMATION MEMORANDUM AND MUST NOT REPRODUCE, REPLICATE, TRANSMIT OR DISTRIBUTE IN WHOLE OR PART OR MAKE ANY ANNOUNCEMENT IN PUBLIC OR TO A THIRD PARTY REGARDING ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. NOTWITHSTANDING THE FOREGOING, A DEBENTURE HOLDER MAY PROVIDE THIS INFORMATION MEMORANDUM TO A POTENTIAL INVESTOR FOR THE SOLE PURPOSE OF TRANSFERRING THE DEBENTURES.

EACH PERSON RECEIVING THIS INFORMATION MEMORANDUM ACKNOWLEDGES THAT:

- SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW AND HAS REVIEWED AND RECEIVED THIS INFORMATION MEMORANDUM AND ALL ADDITIONAL INFORMATION CONSIDEREDS BY AN INDIVIDUAL TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN; AND
- SUCH PERSON HAS NOT RELIED ON ANY INTERMEDIARY THAT MAY BE ASSOCIATED WITH THE ISSUANCE OF THE DEBENTURES IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION.

THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE INFORMATION MEMORANDUM TO REFLECT SUBSEQUENT EVENTS AFTER THE DATE OF THE INFORMATION MEMORANDUM AND, THUS, IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. NEITHER THE DELIVERY OF



THIS INFORMATION MEMORANDUM NOR ANY SALE OF DEBENTURES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE DEBENTURES OR THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING AND SALE OF THE DEBENTURES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

ELIGIBILITY OF THE ISSUER TO COME OUT WITH THE ISSUE

THE ISSUER, ITS DIRECTORS AND ANY OF ITS SUBSIDIARIES IF ANY, HAVE NOT BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTIONS PASSED BY SEBI.

DISCLAIMER CLAUSE OF SEBI, THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THE INFORMATION MEMORANDUM FOR ISSUE OF DEBENTURES PURSUANT TO THIS INFORMATION MEMORANDUM AGGREGATING UP TO RS. 8,00,00,000/- (RUPEES EIGHT CRORE ONLY) ON PRIVATE PLACEMENT BASIS IS BEING FILED WITH THE WDM SEGMENT OF THE BSE IN TERMS OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED BY THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ("SEBI DEBT REGULATIONS"); THE GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/MARKET LINKED DEBENTURES 2011 ("STRUCTURED PRODUCTS GUIDELINES"); THE COMPANIES ACT 2013 AND APPLICABLE REGULATIONS ISSUED BY THE NATIONAL HOUSING BANK.

AS PER THE PROVISIONS OF THE SEBI DEBT REGULATIONS, A COPY OF THIS INFORMATION MEMORANDUM HAS NOT BEEN FILED WITH OR SUBMITTED TO SEBI. HOWEVER, IN COMPLIANCE WITH THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, WE WILL SUBMIT A COPY OF THIS INFORMATION MEMORANDUM TO SEBI WITHIN A PERIOD OF 30 DAYS OF ITS CIRCULATION. IT IS DISTINCTLY UNDERSTOOD THAT THIS INFORMATION MEMORANDUM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED OR VETTED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PURPOSE FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS INFORMATION MEMORANDUM.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE INFORMATION MEMORANDUM TO THE BSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE INFORMATION MEMORANDUM HAS BEEN CLEARED OR APPROVED BY BSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS INFORMATION MEMORANDUM, NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE BSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER.

THE ISSUER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS INFORMATION MEMORANDUM ARE ADEQUATE AND IN CONFORMITY WITH SEBI DEBT REGULATIONS AND THE STRUCTURED PRODUCT GUIDELINES IN FORCE FOR THE TIME



BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

DISCLAIMER IN RESPECT OF JURISDICTION

ISSUE OF THESE DEBENTURES WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER CLAUSE “CATEGORIES OF INVESTORS” OF THIS INFORMATION MEMORANDUM, WHO SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THIS INFORMATION MEMORANDUM IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO DEBENTURES OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. THE DEBENTURES ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE EXISTING INDIAN LAWS. ANY DISPUTE ARISING IN RESPECT THEREOF WILL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS OF MUMBAI.

DISCLAIMER IN RELATION TO THE VALUATION AGENCY

Credit Analysis and Research Ltd (“CARE”) has been appointed as the Valuation Agency for this issue of Debentures.

The Valuation Agency will publish the valuation of NCDs on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency. The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on its website of the Issuer at (<http://www.reliancehomefinance.com/ContactUs/valuation.aspx>)

Upon request by any Debenture Holder (as defined below) for the valuation of the NCDs, the Issuer shall to provide them with the latest valuation.

Market Linked Debenture Valuation provided by CARE reflects CARE’s opinion on the value of the Market Linked Debenture on the valuation date and does not constitute an audit of the Issuer by CARE. The Valuation is based on the information as set out in this Information Memorandum and the Terms of the Issue or obtained by CARE from sources it considers reliable. CARE does not guarantee the completeness or accuracy of the information on which the Valuation is based. CARE specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price of the Market Linked Debentures or suitability for a particular investor.

Definitions / Abbreviations/ Terms Used

Articles of Association	Articles of Association of Reliance Home Finance Limited
Board of Directors	Board of Directors of RHFL
BSE	BSE Limited
Certificate of Registration	The Certificate of Registration obtained from the National Housing Bank under Section 29A of National Housing Bank Act, 1987
Company / Issuer	Reliance Home Finance Limited (“RHFL”)
Companies Act	Companies Act, 1956, as amended (without reference to the sections thereof that have ceased to have effect upon notification of sections of Companies Act, 2013) (“ Companies Act, 1956 ”) read with the applicable provisions of the Companies Act, 2013 to the extent notified and in effect (the “ Companies Act, 2013 ”), and together with the Companies Act, 1956, the “ Companies Act, ”)
Debentures/Debt Instruments / NCDs	Rated, Listed, Secured, Redeemable, Principal Protected Non- Convertible Market Linked Debentures issued / proposed to be issued pursuant to this Information Memorandum



Definitions / Abbreviations/ Terms Used	
Debenture Holders	Persons who are for the time being holders of the Debentures and whose names are last mentioned in the Debentures / Debenture Register and shall include Beneficiaries.
Debenture Trust Deed	Shall mean the debenture trust deed dated July 2, 2014 executed between the Issuer and IDBI Trusteeship Services Limited (“ Debenture Trustee ”) for the creation of security in favour of the Debenture Trustee for the benefit of the Debenture Holders.
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL
DP	Depository Participant as defined under the Depositories Act, 1956
FY	Financial Year
HFC	Housing Finance Company
INR / Rs. / Rupees	Currency of Republic of India
Investors	Those persons who fall under the category of eligibility to whom this Information Memorandum may be sent with a view to offering the Debentures on Private Placement basis.
Issue	The issue of 160 Rated, Listed, Secured, Redeemable, Principal Protected, Non Convertible Market Linked Debentures of Rs.5,00,000/- (Rupees Five Lakh Only) each aggregating to Rs 8,00,00,000/- (RUPEES EIGHT CRORE ONLY) with an option to retain oversubscription aggregating to Rs 10,00,00,000/- (RUPEES TEN CRORE ONLY) on a Private Placement Basis.
Issuer Group	The Issuer or any of its affiliate, associate, holding, subsidiary or group entities.
Letter of Allotment / Allotment Advice	Letter addressed by or on behalf of the Issuer to an Investor stating therein, inter-alia that the Investor’s application has been accepted for allotment for the number of Debentures mentioned in such advice and the application money paid by it has been accordingly adjusted towards payment of the allotment money on the number of Debentures being allotted to it.
Memorandum	Memorandum of Association of the Company.
MCA	Ministry of Corporate Affairs, Government of India.
NBFC	Non Banking Financial Company
NPA	Non Performing Asset (as defined in NHB guidelines)
NHB	National Housing Bank
NHB Private Placement Directions	Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 vide NHB Notification No. NHB.HFC.NCD-DIR.1/CMD/2014 dated March 19, 2014.
NSDL	National Securities Depository Limited
Private Placement	Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in this section 42 of the Companies Act, 2013 read with rules thereunder and as provided under Housing Finance Companies issuance of Non Convertible Debentures on private placement basis (NHB) Directions, 2014.
RBI	Reserve Bank of India
RTA	Registrar and Transfer Agent



Definitions / Abbreviations/ Terms Used	
SEBI	Securities and Exchange Board of India
SEBI Debt Regulations	SEBI (Issue And Listing Of Debt Securities) Regulations, 2008 as amended by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012
Security Documents	The Debenture Trust Deed dated July 2, 2014. Security documents entered into for creation of security for the benefit of the Debenture Holders.
Series	Any series or tranche of Debentures issued under this Information Memorandum
Structured Product Guidelines	Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures, 2011
Valuation Agency	Credit Analysis and Research Limited (“ CARE ”)
WDM	Wholesale Debt Segment of BSE



**FORM NO. PAS-4
PRIVATE PLACEMENT OFFER LETTER**

[Pursuant to Section 42 of Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Information Memorandum where these disclosures, to the extent applicable, have been provided.

Sr. No.	Particulars	Page No.
1.	GENERAL INFORMATION	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	24
b.	Date of incorporation of the company;	31
c.	Business carried on by the company and the details of branches or units, if any;	25
d.	Brief particulars of the management of the company;	31
e.	Names, addresses, DIN and occupations of the directors;	28
f.	Management's perception of risk factors;	13
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –	
	(i) statutory dues;	Nil
	(ii) debentures and interest thereon;	Nil
	(iii) deposits and interest thereon;	Nil
	(iv) loan from any bank or financial institution and interest thereon.	Nil
h.	Names, designation, address and phone number, email ID of the nodal/compliance officer of the company, if any, for the private placement offer process;	24
2.	PARTICULARS OF THE OFFER	
a.	Date of passing of board resolution;	
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security;	
d.	Price at which the security is being offered including the premium, if any, alongwith justification of the price;	
e.	Name and address of the valuer who performed valuation of the security offered;	
f.	Amount which the company intends to raise by way of securities;	
g.	Terms of raising of securities:	
	(a) duration;	
	(b) rate of dividend;	
	(c) rate of interest;	
	(d) mode of payment;	
	(e) repayment;	
h.	Proposed time schedule for which the offer letter is valid;	
i.	Purposes and objects of the offer;	

j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	
k.	Principle terms of assets charged as security, if applicable;	
3.	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	NIL
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL
c.	Remuneration of directors (during the current year and last three financial years);	30
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	Annexure XII
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	NIL
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section wise details thereof for the company and all of its subsidiaries	NIL
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	NIL
4.	FINANCIAL POSITION OF THE COMPANY	
a.	The capital structure of the company in the following manner in a tabular form-	
(i)(a)	the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	26
(b)	size of the present offer;	
(c)	paid up capital	
	(A) after the offer	Not Applicable
	(B) after conversion of convertible instruments (if applicable)	Not Applicable
(d)	share premium account (before and after the offer)	Not Applicable
(ii)	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	26
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately	The Company has not allotted any shares



	indicating the allotments made for considerations other than cash and the details of the consideration in each case;	since January 29, 2013
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;	Annexure XI
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	31
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RISK FACTORS

Data contained throughout the Information Memorandum has been supplied by the Company and the same has not been verified from any independent sources (including the original source documents). This data is the responsibility of the Company alone. Its accuracy and completeness cannot be guaranteed and its reliability cannot be assured.

Although the legal advisors and all intermediaries associated with this Information Memorandum believe that the data used herein is correct, complete and reliable, in absence of independent verification, neither the legal advisors nor any of the intermediaries are or can be held responsible for the correctness, completeness or the adequacy of the data contained herein.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Debentures issued under the Information Memorandum. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, certain factors which are material for the purpose of assessing the market risks associated with the Debentures issued under the Information Memorandum are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Debentures issued under the Information Memorandum, but the inability of the Issuer, as the case may be, to pay interest, or other amounts on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

The Debentures are sophisticated instruments, can involve a high degree of risk and are intended for sale only to those Investors capable of understanding the risks entailed in such instruments. Potential investors are strongly recommended to consult with their financial, legal, tax and other professional advisors before making any investment decision.

The following are the risks envisaged by the management and Investors should consider the following risk factors carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Company only. The risks have been quantified wherever possible. If any one of the following stated risks actually occur, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

Note: The risk factors herein are not exhaustive and unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned hereinbelow:

PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.

THIS INFORMATION MEMORANDUM IS NOT, AND DOES NOT PURPORT TO BE, INVESTMENT ADVICE.

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the Principal Amount in full are at risk if the Debentures are not held till or for any reason have to be sold or redeemed before the Final Redemption Date. The Debentures are a principal protected product only upon maturity.



The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till Final Redemption Date. The Debenture Holder shall receive at least the Face Value of the Debenture only if the Investor holds and is able to hold the Debentures till the Final Redemption Date. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the Debenture Holder may receive a lower (or no) amount of premium, coupon or other consideration than the Debenture Holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulae have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

(a) Model Risks

Investment in the Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

(b) Uncertain Trading Markets and liquidity risk

Investors should be prepared to hold the Debentures until maturity as Investors may not be able to liquidate or sell any or all of the Debentures as and when they require or at an amount equal to or more than the invested amount. There is currently no active or liquid secondary trading market for these Debentures. The Company cannot assure Debenture Holders that a trading market for the Debentures will ever develop or, if developed that such market will be sustained. Many factors independent of the credit worthiness of the Company affect the trading market of the Debentures. These factors include:

- i. the complexity and volatility of the index or formula or other basis of reference applicable to the Debentures,
- ii. the method of calculating the principal, premium and coupon, if any, or other consideration, if any, in respect of the Debentures,
- iii. the time remaining to the maturity of the Debentures,
- iv. the outstanding amount of the Debentures,
- v. the redemption features of the Debentures,
- vi. the amount of other debt securities linked to the index or formula or other basis of reference applicable to the Debentures,
- vii. the level, direction and volatility of market interest rates generally,
- viii. the general political and macro economic conditions prevailing in India, and



ix. the global macroeconomic scenario

There can be no assurance that anyone intends to make a market in the Debentures, or that if anyone does so, that they will continue to do so, or that a market-maker in the Debentures (if any) will offer an amount equal to or greater than the invested amount, or that if a market-maker does offer a price for the Debentures which is equal to or greater than the invested amount, that it will continue to do so. In addition, certain Debentures may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Further, the transfer of the Debentures can only be made in accordance with the relevant transfer and selling restrictions set out herein. This may further limit the liquidity of the Debentures. Debenture Holders may not be able to sell the Debentures readily or at prices that will enable them to realize their anticipated yield. Therefore, it may be difficult to liquidate or sell the Debentures before maturity, or if liquidated/sold, investors may only realise an amount that is at a significant discount to the invested amount paid by the investor. Liquidity on these investments is relatively less than similar grade non-structured fixed coupon debentures. Mark to market valuations on the Debentures may not be available or provided to Investors on any regular basis prior to the maturity of the Debentures. As there is no liquid market for the Debentures, it may be difficult to obtain reliable information about the value of the Debentures and the extent of the risks to which it is exposed.

While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding Principal Amount of the Debentures, the level of the Reference Value (defined below), fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective investors must be prepared to hold the Debentures until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

No Investor should purchase Debentures unless such investor understands and is able to bear the risk that such Debentures may not be readily saleable and/or that the value of such Debentures will fluctuate over time, that such fluctuations may be significant and that such investor may lose all or even a substantial portion of its investment in the Debentures if the Debentures are not held till or for any reason have to be sold or redeemed before the final maturity date

(c) Investment in the Debentures which are linked to shares or indices is not the same as investing directly in the shares or indices underlying the Debentures.

An investment in the Debentures which are linked to shares or indices is not an investment directly in the shares or the indices themselves. An investment in the Debentures entitles the holder to certain cash payments calculated by reference to the shares or indices to which the Debentures are linked. The Debenture Holder will have no beneficial interest in the shares or basket of shares constituting the index to which the Debentures are linked and accordingly will not have voting rights in those shares. The Debenture Holders will not have the right to receive the underlying shares or basket of shares and thus will not be able to dispose of some but not all of such shares at any point in time. Subject to the applicable conditions of the Debentures, the Debenture Holder may have no right to receive dividends or other distributions. The Debentures will not represent a claim against the company of any shares, and, in the event of any loss, a Debenture Holder will not have recourse under the Debentures against such companies, or against any securities issued by such companies.

Similarly, the Debenture Holders will not have the right to receive the stocks underlying any index or basket of indices underlying the Debentures at any point in time.

In the case of Debentures relating to shares, no issuer of such shares will have participated in the preparation of the Information Memorandum or in establishing the terms of the Debentures and the Company will not make any investigation or enquiry in



connection with such offering with respect to the information concerning any such Company contained in the Information Memorandum or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant Initial Valuation Date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Company of such share could affect the trading price of the share and therefore the trading price of the Debentures.

Moreover, the Company has no ability to control or predict any actions of the issuer of such shares, including any corporate actions of the type or redemption that would require the Company to adjust the payment to the Debenture Holders upon exercise of the Debentures. The issuer of such shares is not involved in the offering of the Debentures in any way and has no obligation to consider a Debenture Holder's interest in a Debenture in taking any corporate actions that might affect the value of the Debentures. None of the money that the Debenture Holder pays for the Debentures will go to the issuer of any shares. In particular, factors related to the underlying shares or indices to which the Debentures are linked which are beyond the relevant company's control include, but are not limited to: (i) the market price or value of such share, index or basket of shares or indices; (ii) the volatility (frequency and magnitude of changes in price) of such share, index or basket of shares or indices; (iii) the dividend rate on such shares; (iv) geopolitical conditions and economic, financial and political, regulatory or judicial events that affect stock markets generally and which may affect the market price of such share, index or basket of shares or indices; and (v) the creditworthiness, including changes in credit ratings and credit spreads of the relevant issuer of such shares.

The return on an investment in the Debentures may differ from the return an investor might earn on a direct investment in the shares or indices over a similar period: Debenture Holders should be aware that:

- (a) they may lose all or a substantial portion of their investment in case of an early redemption and/or if the Debentures are not held till maturity;
- (b) the market price of such Debentures may be very volatile;
- (c) they may receive no interest;
- (d) the relevant underlying shares or index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other shares or indices;
- (e) if the relevant underlying shares or index is linked to Debentures with a multiplier greater than one or contains some other leverage factor, the effect of changes in such underlying shares or indices on principal or interest payable is likely to be magnified; and
- (f) the timing of changes in the relevant underlying shares or index may affect the actual yield to the Debenture Holders, even if the average level is consistent with their expectations.

(d) The composition of the stocks underlying the index to which a Debenture may be linked may change over time

The composition of the stocks underlying any index to which the Debentures are linked may change over time. The index sponsor may, in its sole discretion, add, delete or substitute the stocks underlying the index or make other methodological changes required by certain corporate events relating to the stocks underlying the index, such as stock splits and dividends, spin-offs, rights issuances and mergers and acquisitions that could change the value of the index. There may be additions to the index to which the Debenture Holders may not want exposure, or deletions of stocks to which they would want exposure. The Company does not have any control over the composition or calculation of the index, and the Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of stocks underlying the index as of the date hereof.



(e) No Claim against reference asset

Debenture Holders do not have any interest in or rights to the underlying assets, indices or securities to which Debentures relate.

(f) Leverage Risk

Borrowing capital to fund the purchase of the Debentures (leveraging) can significantly increase the risks of the investment such that if the value of the Debentures decreases on a market to market basis, leveraging will magnify that decrease in value. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging. Investors must factor in and consider the potential impact of, amongst other things, the cost of funding and possibility of margin calls due to a decrease in the daily mark to market value of the Debentures prior to their maturity. Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender.

(g) Interest Rate Risk of the Debentures

Investors are exposed to the movement of interest rates whenever their Debentures are redeemed, tendered or sold prior to maturity. Movements in interest rates will have an impact upon the value of the Debentures. As interest rates move upwards, the value of the Debentures generally falls. Moreover, the longer the tenor of the Debentures, the more sensitive the Debentures will be to interest rate changes.

(h) Compounding of Risks

An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference securities, indices, commodities, rates, etc., the risks associated with such investments and the terms and conditions of the Debentures. More than one risk factor may have simultaneous effects with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures.

(i) The secondary market for the Debentures may be non-existent or the Debentures may be illiquid.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Any such Debenture so purchased may be required to be held or resold or surrendered for cancellation. To the extent that an issue of Debentures becomes illiquid, an Investor may have to hold the Debenture until redemption to realize value.

Under the terms and conditions of the Debentures, the Issuer or its affiliates may purchase Debentures at such times, in such manner and for such consideration as they may deem appropriate. Such Debentures may be resold or surrendered for cancellation, or held and then resold or surrendered for cancellation, and, if cancelled, may not be reissued by the Issuer, all at such time and in such manner as it may deem appropriate. Investors should not therefore make any assumption as to the number of Debentures in issue at any one time or in the future.

(j) Market Factors in relation to the reference asset/underlying

1) Valuation of the underlying

An investment in the Debentures involves risk regarding the value of the underlying. The value of the underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macroeconomic factors and/or speculation.



2) The historical performance of the underlying is not an indication of future performance

The historical value (if any) of the underlying does not indicate the future performance of the underlying.

3) The value of the underlying will affect the value of the Debentures

The value of the underlying on any day will affect the value of the Debentures on such day. Changes in the composition of the underlying and factors (including those described in these Risk Factors) which either affect or may affect the value of the underlying will affect the value of the Debentures.

4) Market Value

The market value of the Debentures during their term depends primarily on the value and the volatility of the underlying and the level of interest rates for instruments of comparable maturities. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer Investors protection against such market volatility.

5) Certain Hedging Considerations

Certain risks apply to purchasers that acquire the Debentures for hedging purposes. Investors intending to purchase the Debentures for the purpose of hedging their exposure to the underlying or any constituents should recognise the risks of utilising the Debentures in such manner. No assurance is or can be given that the value of the Debentures will correlate with movements in the value of the underlying or any constituents and the composition of the underlying or any basket constituents may change over time. Furthermore, it may not be possible to liquidate the Debentures at a price which directly reflects the value of the underlying or any constituents. Therefore, there can be no assurance as to the level of any correlation between the return on an investment in the Debentures and the return on a direct investment in the underlying or any constituents.

Hedging transactions in order to limit the risks associated with the Debentures might not be successful.

6) No affiliation with issuers/publishers of underlying assets

The Issuer for any underlying single share or basket shares, the publisher of an underlying index, or any specified entity may not be an affiliate of the Issuer, unless otherwise specified in the relevant offer document. The Issuer or its subsidiaries may presently or from time to time engage in business with any issuer of the underlying shares, or any specified entity, including entering into loans with, or making equity investments in, such issuer of the underlying shares, or specified entity, or its affiliates or subsidiaries or providing investment advisory services to the issuer of the underlying shares, or specified entity, including merger and acquisition advisory services. Moreover, the Issuer does not have the ability to control or predict the actions of the issuer of the underlying shares, index publisher, or specified entity, including any actions, or reconstitution of index components, of the type that would require an adjustment of the payout to the investor at maturity. No issuer of the underlying shares, index publisher, or specified entity, for any issuance of Debentures is involved in the offering of the Debentures in any way or has any obligation to consider the Debenture Holder's interest as an owner of the Debentures in taking any corporate actions that might affect the value of the Debentures. None of the money a Debenture Holder pays for the Debentures will go to the issuer of the underlying shares, or specified entity, for such Debentures.



Internal Risk Factors

(a) Debenture Redemption Reserve (DRR)

No debenture redemption reserve is being created for the present issue of NCDs.

As per Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 read with the Ministry of Corporate Affairs General Circular No.4/2003 dated January 16, 2003, the Company being a Housing Finance Company, no DRR is required to be created on the issue of privately placed debentures.

(b) Credit Risk

The Company carries the risk of default by borrowers and other counter-parties.

Any lending and investment activity is exposed to credit risk arising from the risk of repayment default by the borrowers and counter-parties. The Company has institutionalized a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and also constantly evaluates the changes and developments in sectors to which it has substantial exposure. The Company also undertakes a periodic review of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. As on March 31 2015, the Company has net NPAs of Rs 40.30 crore. In addition, the Company follows a conservative provisioning and write-off policy, which is in line with what is prescribed by the NHB.

(c) Contingent Liabilities

Company's contingent liabilities could adversely affect its financial condition. As on March 31, 2015 Company has NIL Contingent Liability.

(d) NPAs

If the level of NPAs in the Company's portfolio were to increase, its business would suffer.

As on March 31, 2015 the Company has net NPAs of Rs.40.30 crore and its provisioning norms fully comply with the NHB guidelines/directives. The Company believes that its overall financial profile, capitalization levels and risk management systems, provide significant risk mitigation.

(e) Interest Rate Risk

The Company's business is also dependent on interest income from its operations.

The Company is exposed to interest rate risk principally as a result of lending to customers at interest rates and in amounts and for periods, which may differ from its funding sources (bank borrowings and debt offerings). The Company seeks to match its interest rate positions to minimise interest rate risk. Despite these efforts, there can be no assurance that significant interest rate movements will not have an effect on its results of operations. Interest rates are highly sensitive to many factors beyond its control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.



(f) Access to Capital Markets and Commercial Borrowings

The Company's growth will depend on its continued ability to access funds at competitive rates.

With the growth of its business, the Company is increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and its ability to obtain funds at competitive rates will depend on various factors including its ability to maintain its credit ratings. While its borrowing costs have been competitive in the past due to its credit rating and the quality of its asset portfolio, if the Company was unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans. This may adversely impact its business, its future financial performance. The value of its collateral may decrease or the Company may experience delays in enforcing its collateral when its customers default on their obligations to us, which may result in failure to recover the expected value of collateral and adversely affect its financial performance.

(g) Operational and Systems Risk

The Issuer is faced with operational and systems risks, which may arise as a result of various factors viz. like improper authorisations, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, there can also be a strike, lock-out, an obligation of the Company becoming illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Company of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, security risk in terms of handling information technology related products which involve risks like computer hacking, unauthorised access to computer data and storage devices, computer crashes, data loss, breach of confidentiality, network security, etc.

(h) Credit Risk of Issuer

While, the repayment of sums due at maturity is provided by the Issuer, Investors should be aware that receipt of any coupon payment and Principal Amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and Investor may or may not recover all or part of the Principal Amount in case of default by the Issuer. Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

(i) Potential Conflicts of Interest

Investors should ensure that they understand and accept the identities of the parties and the roles they play in relation to the Debentures, as disclosed in this Information Memorandum.

The Company and its affiliates have no obligation to disclose such information or activities; provided that the Issuer will make every good faith effort not to take advantage of any price-sensitive information. By purchasing or holding any Debentures, the Debenture Holder acknowledges that the Issuer, its affiliates and their respective officers and respective directors may engage in any such activities without regard to the Information Memorandum or the effect that such activities may directly or indirectly have on the Debentures and the Debenture Holder irrevocably waives any claim that it may have in respect thereof. In particular the following situations may arise:

a) Transactions Involving the underlying



The Issuer and its affiliates may from time to time engage in transactions involving the underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the underlying and consequently upon the value of the Debentures.

b) Issuing of other debentures in respect of the underlying

The Issuer and its affiliates may issue other debentures in respect of the underlying and the introduction of such competing products into the market place may affect the value of the Debentures.

c) Market-Making for the underlying

The affiliates of the Issuer may, in certain cases, act as a market-maker for the underlying, which might in particular be the case when any of such affiliates has also issued the underlying. By such market-making, such affiliate will, to a large extent, determine the price of the underlying, and consequently influence the value of the Debentures itself.

d) Acting as underwriter or otherwise for the issuer of underlying

The affiliates of the Issuer may also act as underwriter in connection with future offerings of the underlying or may act as financial adviser to the issuer of an underlying. Such activities could present certain conflicts of interest and may affect the value of the Debentures.

e) Obtaining of Non-public Information

The Issuer and/or its affiliates may acquire non-public information with respect to the underlying, and neither the Issuer nor any of its affiliates undertakes to disclose any such information to any Debenture Holder.

External Risk Factors

a) Material changes in regulations to which the Company is subject could cause the Company's business to suffer

HFCs in India are subject to detailed supervision and regulation by the NHB though currently HFCs not accepting public deposits are exempt from most such provisions. In addition, the Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. The NHB also requires the Company to make provisions in respect of NPAs. The provision made is equal to or higher than that prescribed under the prudential norms. Any changes in the regulatory framework affecting HFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

In addition, the Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles.

b) Risk of competition in lending and resource raising could cause the Company's business to suffer

Despite increasing competition, the Company has already established a strong presence in the securities market. Currently, the business operations of the Company mainly focus on investment activities, etc. The Company may also engage in providing credit in all forms in various markets. The management believes that the Company's brand equity, reach and strategic alliances along with its resource base would provide the necessary strength to perform well in a competitive market.



c) A slowdown in economic growth in India could cause the Company's business to suffer

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect its business, including its ability to grow its asset portfolio, the quality of its assets, and its ability to implement its strategy. India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy.

d) Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the company's financial results and prospects

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed a number of times since 1991. The current central government, which came to power in May 2014, is led by the Bharatiya Janata Party in coalition with several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization may be affected by the coalition nature of the government. If there was to be any slowdown in the economic liberalisation, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and problems faced by certain Indian financial institutions. The problems faced by individual Indian financial institutions and any instability in, or difficulties faced by, the Indian financial system generally could create adverse market perception about Indian financial institutions, banks, NBFCs and HFCs. This in turn could adversely affect the Company's business, its future financial performance and business prospects.

e) Terrorist Attacks, Civil Unrest And Other Acts Of Violence Or War Involving India And Other Countries Could Adversely Affect The Financial Markets And The Company's Business

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on the Company's business.

f) Market Risk (Product Demand) and Force Majeure Events

The Company is in the business of provision of financial services. The overall demand for the Company's products is linked to the macroeconomic parameters like GDP growth, capital markets and liquidity. Any adverse movement on these factors will have an adverse impact on the business of the Company. The performance may also be affected by political and economic developments and natural disasters like earthquakes, flood, drought, act of God, etc. These factors may affect the capital markets as well as reliability of the Issuer's assets. Interest rate volatility exposes the Issuer to market risks arising out of maturity rate/ interest rate mismatches, which may have an impact on its financial results.

g) Legality of Purchase



A prospective Investor of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that prospective Investor with any law, regulation or regulatory policy applicable to it.

h) Taxation

Each Debenture Holder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Debentures. The Issuer will not pay any additional amounts to Debenture Holders to reimburse them for any tax, assessment or charge required to be withheld or deducted by the Issuer from payments in respect of the Debentures.

i) Disclaimer in relation to Valuation

The valuations as may be provided by the Valuation Agency, on the website of the Issuer and the Valuation Agency or otherwise do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agency's computation of the valuation which may in turn be based on several assumptions.

A Debenture Holder understands and is aware that the valuation is not in any manner reflective of the actual returns that can be obtained by such Investor on the Debentures.



i. Other Information of the Issuer

1. Name and address of the registered office of the Issuer

Reliance Home Finance Limited
Registered Office: 570, Rectifier House, 3rd Floor, Naigaum Cross Road, Wadala, Mumbai - 400 031
Phone: 022 3047 9400 Fax: 022 3047 9450
Website: www.reliancehomefinance.com

2. Name and address of Compliance Officer of the Issuer

Shri Prashant Bharati - Compliance Officer,
570, Rectifier House, 3rd Floor, Naigaum Cross Road,
Wadala, Mumbai - 400 031
Email: Prashant.Bharati@relianceada.com
Contact No.: 022-30479400

3. Name and address of the CFO of the Issuer

Shri Amrish Shah
570, Rectifier House, 3rd Floor, Naigaum Cross Road, Wadala, Mumbai - 400 031
Email: Amrish.Shah@relianceada.com

4. Name of the Debenture Trustee of the issue

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001

5. Name and Address of the Arrangers to the Issue

Not Applicable

6. Name of the Registrar of the Issue

Karvy Computershare Private Limited
Karvy Selenium, Tower – B, 7th Floor, Plot no. 32 & 33,
Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda
Serilingampally Mandal, Ranga Reddy District
Hyderabad – 500 081, Telengana

7. Credit Rating Agency of the Issue and the Valuation Agency

Credit Analysis & Research Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway, Sion (E)
Mumbai 400 022



8. Name of the Auditors of the Issuer

Chaturvedi & Shah
714-715, Tulsiani Chambers
212 Nariman Point
Mumbai 400 020

ii. A brief summary of the business / activities of the Issuer and its line of business.

Overview

Reliance Home Finance Limited is a housing finance company promoted by Reliance Capital Limited (“RCL”), the financial services company of the **Reliance Group** and is constituted as a subsidiary. The company has been issued a certificate of registration to function as a Non Deposit taking Housing Finance Company by the National Housing Bank.

The company focuses and concentrates on extending financial assistance to customers mainly in retail segment at competitive terms coupled with efficient delivery outlets and channels. The company offers wide spectrum of housing finance for construction, renovation/ reconstruction of existing dwelling units, employee housing schemes for corporate, lending to professional builders for construction of residential units.

The company also offers value added services like counseling, dissemination of housing related information, helping in identification of suitable property/ flats, housing risk advisory services, enhancing builder –buyer co-ordination.

The company possesses the following distinctive strengths:-

- ✓ Experienced Board of Directors
- ✓ Group Potential and support
- ✓ Experience in handling retail customer business including financial products
- ✓ National Presence and reach
- ✓ Speed and efficiency for ensuring quick Turn Around Time
- ✓ Banquet of related products for ensuring customer penetration and satisfaction
- ✓ Committed long term player with customer base

As on March 31, 2015 the outstanding loan book was Rs. 5081 Crores. This loan book is spread across 10,900 customers from 43 locations.

Reliance Home Finance Limited has no subsidiaries.

The details of branches are given in Annexure I.



iii. Corporate Structure

a) Details of Share Capital as on year ended March 31, 2015

Share Capital	Amount in Rs.
Authorized Share Capital	
7,50,00,000 Equity Shares of Rs.10 each	75,00,00,000
5,00,00,000 Preference Shares of Rs.10 each	50,00,00,000
Total	125,00,00,000
Issued and Subscribed Share Capital	
6,58,20,000 Equity Shares of Rs.10 each	65,82,00,000
Paid-up Share Capital	
6,58,20,000 Equity Shares of Rs.10 each	65,82,00,000
Total	65,82,00,000

b). Changes in its capital structure as on year ended March 31, 2015 for the last five years:-

Sr. No.	Date	Particulars of Issue	Authorised Capital	Paid up Capital	
			No. of Shares	No. of shares	Cumulative Total
1	June 05, 2008	Shares issued upon incorporation	20,00,000	10,000	10,000
2	June 16, 2008	Increase in authorized share capital to 1 crore shares	1,00,00,000		
3	June 26, 2008	Allotment of shares to Reliance Capital Limited (RCL)	-	99,90,000	100,00,000
4	February 20, 2009	Increase in authorized capital to 5 crore shares: 1 crore Equity and 4 crore Preference Capital	5,00,00,000		
5	March 30, 2009	Allotment of Preference Shares to RCL	-	9,10,000	109,10,000
6	February 26, 2010	Increase in authorized share capital to 12.5 crore shares: 5 crore Equity and 7.5 crore Preference Capital	12,50,00,000		
7	February 26, 2010	Right Issue of Equity Shares to RCL	-	2,00,00,000	309,10,000
8	March 25, 2010	Allotment of Preference Shares to RCL	-	17,50,000	326,60,000
9	March 29, 2011	Variation in Dividend rights of existing Preference Shareholders from 8% to 0% Variation in rights of Equity Shareholders to curtail their Dividend rights.	-	-	-
10	June 29, 2011	Allotment of Preference Shares to RCL	-	2,50,000	329,10,000
11	September 10, 2012	Conversion of Preference Shares into Equity Shares	-	29,10,000	329,10,000



Sr. No.	Date	Particulars of Issue	Authorised Capital	Paid up Capital	
			No. of Shares	No. of shares	Cumulative Total
12	January 29, 2013	Issue of Bonus Shares in 1:1 Ratio	-	3,29,10,000	6,58,20,000

c). Equity Share Capital History of the Company as on year ended March 31, 2015-

Date of Allotment	Particulars	No of Equity Shares Allotted	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Cumulative		
						No of equity shares	Equity Share Capital (Rs. in crores)	Equity Share Premium (Rs in crores)
June 05, 2008	Issued upon incorporation	10,000	10/-	10/-	Cash	10,000	0.01	Nil
June 26, 2008	Issued to holding Company	99,90,000	10/-	10/-	Cash	1,00,00,000	10.00	Nil
February 26, 2010	Rights Issue	2,00,00,000	10/-	10/-	Cash	3,00,00,000	30.00	Nil
September 10, 2012	Conversion of preference shares into equity shares	29,10,000	10/-	1,000/-	Cash	29,10,000	32.91	288.09
January 29, 2013	Bonus Issue	3,29,10,000	10/-	Nil	Bonus Issue	6,58,20,000	65.82	255.18

Note: The Company has not allotted any shares since January 29, 2013

d). Details of any Acquisition or Amalgamation in the last 1 year:-

The Company has neither acquired any entity nor amalgamated with any entity in the last one year.

e). Details of any Reorganization or Reconstruction in the last 1 year:-

The Company has not entered into any re-organization or reconstruction in the last one year.

f). Details of the shareholding of the Company as on the year ended:-

i	Shareholding pattern of the Company as on year end i.e. March 31, 2015:- Please refer Annexure II
ii	List of top 10 holders of equity shares of the Company as on the year ended i.e. March 31, 2015:- Please refer Annexure III



g). Details regarding the directors of the Company:-

Details of the current directors of the Company*

Sr. No.	Name of Director /Designation/ DIN/ Occupation	Age	Address	Date of Appointment	Details of other Directorship
1	Shri Padmanabh P. Vora Independent Director DIN 00003192 Professional	73	Flat No. 503-504, 5 th Floor, "A" Wing, Mount Everest Tower, Bhakti Park, Wadala (East), Mumbai - 400037	July 1, 2008	1. Reliance Capital Trustee Co Ltd. 2. Omaxe Limited 3. Rama Cylinders Pvt. Limited 4. J. Kumar Infraprojects Limited 5. Phoenix Lamps Limited 6. Sterling Add Life India Private Limited 7. NSDL Database Management Limited 8. Modern Transit Solutions Private Limited 9. National Securities Depository Limited
2.	Ms. Deena Mehta Independent Director DIN: 00168992 Service	54	17-A, Abhilasha Building, August Kranti Marg, Mumbai- 400 036	March 24, 2015	1. Asit C Mehta Investment Intermediates Ltd. 2. Asit C Mehta Financial Services Ltd 3. Asit C Mehta Commodity Services Ltd 4. Asit C Mehta Forex Pvt Ltd. 5. Asit C Mehta Real Estate Service Pvt Ltd. 6. Securities Industry Association of India 7. The Bombay Commodity Exchange Ltd. 8. NMIMS Business School Alumni Association 9. National Payments Corporation of India 10. Asit C Mehta Comdex Services, DMCC 11. Nisus Finance Services Co. Pvt Ltd 12. Reliance Asset Reconstruction Company Limited 13. Shivshakti Charitable Trust



Sr. No.	Name of Director /Designation/ DIN/ Occupation	Age	Address	Date of Appointment	Details of other Directorship
3.	Shri Gautam Doshi Director DIN 00004612 Service	62	402, Hamilton Court, Tagore Road, Santa Cruz (West), Mumbai – 400 054	July 1, 2008	1. Digital Bridge Foundation 2. Reliance Big TV Limited 3. Reliance Anil Dhirubhai Ambani Group Limited 4. Connect Infotain Private Limited 5. Reliance Telecom Limited 6. Connect Capital Private Limited 7. Reliance MediaWorks Limited 8. Reliance Communications Infrastructure Limited 9. Piramal Phytocare Limited
4.	Shri Soumen Ghosh Director DIN : 01262099 Service	56	1501, Lodha Aria, 6/207 Tokersey Jivraj Road Sewree, Mumbai, 400015.	July 1, 2008	1. Reliance General Insurance Company Limited 2. Reliance Life Insurance Company Limited 3. Reliance Capital Pension Fund Limited 4. Reliance Capital Asset Management Limited 5. Reliance Exchangenext Limited 6. Reliance AIF Management Company Limited 7. Reliance Capital Limited
5.	Shri K. V. Srinivasan Director DIN 01827316 Service	50	Flat No. 1601, “B” Wing, 16 th Floor, Dosti Elite Metal Rolling Compound, Near Sion Telephone Exchange, Sion East, Mumbai - 400 022	April 28, 2012	1. Finance Industry Development Council 2. Mehta Management Consultancy Services Private Limited

*None of our Directors appear in the RBI defaulter list and/or ECGC defaulter list.



h. Details of change in directors since last three years:-

Name of Director	Age	Date of Appointment	Date of Cessation	Remarks
Ms. Deena Mehta Independent Director DIN: 00168992 Service	54	March 24, 2015	-	Appointment

i. Remuneration of Directors (during the current year and last three financial years)

(Rs. in Lakh)

Name of Directors	2014-15	2013-14	2012-13
Shri Soumen Ghosh	-	-	-
Shri K. V. Srinivasan	-	-	-
Shri Padamanabh P. Vora	4.8	1.6	1.4
Ms. Deena Mehta	0.4	-	-
Shri Gautam Doshi	4.8	1.6	1.6

No remuneration has been paid to the directors except sitting fees for attending Board and Committee meetings.

j. Key Operational and Financial Parameters for the last 3 Audited years

(Rs in Lakh)

Parameters	2014-15	2013-14	2012-13
Net Worth	4,78,22,24,097	4,64,29,96,220	4,20,91,06,444.51
Total Debt of which -			
--- Non Current Maturities of Long Term Borrowing	28,23,98,02,005	21,692,285,975	19,15,20,91,797.51
--- Short Term Borrowing	8,15,51,73,002	2,07,63,11,896	24,41,67,068
--- Current Maturities of Long Term Borrowing	7,82,41,00,000	6,43,65,35,845	4,31,24,00,000
Net Fixed Assets (including Goodwill)	39,45,29,521	8,59,888	24,51,778
Non Current Assets	44,06,76,52,618	27,10,87,90,747	25,92,07,07,923.18
Cash and Cash Equivalents	3,54,94,55,719	2,01,27,18,074	70,94,16,080.23
Current Investments	--	3,20,00,00,000	--
Current Assets	7,56,04,23,614	5,12,66,34,274	2,90,24,31,702.95
Current Liabilities	5,60,99,59,560	2,31,50,58,393	1,42,47,32,629.4
Long Term Provisions	23,46,15,054	21,94,16,236	17,83,24,893.96
Short Term Provisions	4,36,47,015	5,17,19,310	1,41,84,652.00
Interest Income	4,41,80,19,242	3,89,18,55,385	3,33,32,92,644.84
Interest Expense	2,97,84,83,274	2,68,64,45,674	2,51,81,31,275.71
Provisioning & Write-offs	13,49,98,928	13,88,87,999	7,34,93,205.97
PAT	69,06,32,280	43,38,89,775	27,48,26,808.67
Dividend:			



Parameters	2014-15	2013-14	2012-13
Dividend paid on Preference Shares	-	-	29,10,000
Gross NPA (%)	1.04	1.31	1.24
Net NPA (%)	0.81	1.00	0.93
Tier I Capital Adequacy Ratio (%)	11.10	14.56	12.93
Tier II Capital Adequacy Ratio (%)	4.07	5.84	4.63
Interest Coverage Ratio (Cash profit after tax plus interest paid/interest paid)	1.23	1.15	1.09

Gross Debt: Equity Ratio of the Issuer:

Before the issue of the Debentures	8.02:1*
After the issue of the Debentures	8.48:1**

* As on March 31, 2015.

** Based on issuances upto March 31, 2015 and proposed issue under this Information Memorandum.

- i. **A brief history of the issuer since its incorporation giving details of its activities including any re-organization, reconstruction or amalgamation, changes in its capital structure (authorised, issued and subscribed) and borrowings, if any**

History

The Company was incorporated on June 5, 2008 with the Registrar of Companies (ROC), Maharashtra, Mumbai as Reliance Homes Finance Private Limited. The Company later changed its name from "Reliance Homes Finance Private Limited" to "Reliance Home Finance Private Limited". The Company was issued the Certificate of Registration to function as a Non Deposit taking Housing Finance Institution by the National Housing Bank, initially on January 6, 2009 and later on due to change in name, a fresh Certificate of Registration was issued on April 20, 2009. Subsequently, the Company converted itself from Private Limited Company to Public Limited Company and consequently, the name was changed from "Reliance Home Finance Private Limited" to "Reliance Home Finance Limited". The company had received the fresh Certificate of Incorporation dated March 27, 2012 from ROC.

The Company shifted its registered office to its current address w.e.f. February 7, 2009.

- i. **Brief particulars of the management of the Company**

Board of Directors Profile

Shri Padmanabh P. Vora, 73, a practicing Chartered Accountant, is an eminent person in banking and financial markets and at present is managing partner in P.P. Vora & Co, Chartered Accountants. He was the Chairman of IDBI, one of India's premier financial institutions and NSDL, leading Depository Services Company. He was also the Chairman of National Housing Bank, the Regulatory body for housing finance in India. He holds directorship in many other reputed companies in diversified fields. He is an independent director on the Board and also the Chairman of the Audit Committee of the Board.

Ms. Deena Mehta, 54, is an associate member of Institute of Chartered Accountants of India and Fellow member of Securities & Investment Institute of London, She has completed Post Graduation in Management Studies with Specialisation in Finance from NMIMS



and Post Graduate diploma course in Securities Law from Government Law College. She is presently Managing Director of Asit C Mehta Investment Intermediates Ltd. She was the first Woman in Indian Stock Markets to enter the Trading Ring of The Stock Exchange, Mumbai. She has more than 20 years of experience in Securities Market and holds directorship in many other reputed companies. She is an Independent Director on the Board and also the Member of the Audit Committee and Nomination Remuneration Committee of the Board.

Shri Soumen Ghosh, 56, is an associate member of Institute of Chartered Accountants of England and Wales and Mechanical Engineer. He is presently the Executive Director and Group Chief Executive Officer of Reliance Capital Limited. He joined the company in April 2008. Before joining Reliance Capital, he was the regional CEO of middle East and India sub continent region of Allianz, a German insurance company. Prior to that, he was the CEO of Bajaj Allianz Life and General Insurance. Prior to that he was involved in setting up operations for Allianz in South East Asia. He spent 10 years in Australia in various capacities with Allianz from CFO to Managing Subsidiary Companies as well as setting up operations in Pacific Rim. He is non-executive director on the Board and also a member of the Audit Committee of the Board.

Shri Gautam Doshi, 62, a qualified Chartered Accountant, is the Group Managing Director of Reliance Group. He has served as the Chairman of the Institute of Chartered Accountants of India for the year 1982–83 and was also elected to the Council of the Institute of Chartered Accountants of India for two consecutive terms spanning over 1992 to 1998. He has held key positions in various organizations such as M/s. Bansi S. Mehta, RSM & Co. and Ambit Corporate Finance Pvt. Ltd.

Shri K. V. Srinivasan, 50, is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India with a Post Graduate Diploma in Management from IIM-Ahmedabad. He is presently the CEO of the Commercial Finance division of Reliance Capital Limited. He has around two decades of multi-disciplinary experience in consulting and financial sectors and has been part of the senior management at ICICI Ltd., ICICI Prudential Life Insurance and Citicorp Finance before joining the Reliance Group. He is a non-executive director on the Board.

Key Management Personnel

Shri Sandip Parikh, 48, is an associate member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He has more than two decades of experience in financial sectors and has been part of the senior management at TATA Finance, GE Capital and ICICI Bank before joining the Reliance Group. He has been working with Reliance Capital group since last 8.5 years. He is presently the Manager of the Company.

Shri Amrish Shah, 43, is an associate member of the Institute of Chartered Accountants of India. He has nearly two decades of experience in financial sectors and has been part of senior management at Rasna Limited and ICICI Bank Limited before joining the Reliance Group. He has been working with the Reliance Capital group since last 7.5years.He is presently Chief Financial Officer of the Company.

Deepali Bhatt, 25, is an associate member of the Institute of Company Secretaries of India. She has completed her Law Graduation from Mumbai University. She has two and half year of experience of working with Secretarial Department. She is presently Company Secretary of the Company.

k. Details regarding the auditors of the Issuer


1. Details of the auditor of the Issuer

Name	Address	Auditor since
Chaturvedi & Shah	714-715, Tulsiani Chambers 212 Nariman Point Mumbai 400 020	June 7, 2008

2. Details of change in auditor since last 3 years

There has been no change in the Company's Auditors in last three years.

n. Details of borrowings of the Issuer, as on the year ended i.e. March 31, 2015
1. Details of Secured Loan Facilities (as on March 31, 2015)

Please refer Annexure IV

2. Details of Unsecured Loan Facilities (as on March 31, 2015)

NIL

3. Details of NCDs (As on March 31, 2015)

Please refer Annexure V

4. Details of Rest of the borrowing (if any including hybrid debt like FCCB, optionally Convertible Debentures / Preference Shares) as on March 31, 2015

Annexure VI

5. List of Top 10 Debenture Holders (as on March 31, 2015)

Please refer Annexure VII

6. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued

NIL

7. Details of Commercial Paper (as on March 31, 2015)

Please refer Annexure VIII

8. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years

NIL

o. Details of Promoters of the Issuer:- Details of Promoter Holding in the Issuer as on the year ended i.e. March 31, 2015

Please refer Annexure IX

p. Abridged version Audited Financial Information (like Balance Sheet, Statement of Profit & Loss and Cash Flow



statement) for at least last three years and auditor qualifications, if any.¹

As per Annexure - X

q. Abridged version Latest Limited Review Half Yearly Financial Information (like Balance Sheet, Statement of Profit & Loss) and auditors qualifications, if any.

As per Annexure - XI

r. Details of debt securities issued and sought to be listed including face value, nature of securities mode of issue i.e Private Placement

The Company proposes to issue and list NCDs of Face Value of Rs. 5,00,000/- (Rupees Five Lakh only) each, and these would be issued in dematerialized form. The Issue is on private placement basis. The detailed features of the NCDs are given in the SUMMARY TERM SHEET below.

s. Issue Size

The Issue of Debentures is for Rs. 8,00,00,000/- (RUPEES EIGHT CRORE ONLY) (For details please refer SUMMARY TERM SHEET)

t. Minimum Subscription Size

The minimum subscription size for this Issue is Rs. 20 (twenty) lakhs and in multiples of Rs.5 (Five) lakhs hereafter.

u. Utilisation of Issue Proceeds / Objects of the issue

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company. The issue proceeds shall be utilized for the said purpose.

v. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the Issuer.

By very nature of its business, the Company is involved in large number of transactions involving financial obligations and, therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. However, the contracts/documents referred below (not being contracts entered into in the ordinary course of the business carried on by the Company) which are or may be deemed to be material, have been entered into by the Company. Copies of these contracts /documents shall be available for inspection at the registered office of the Company between 10.00 a.m. and 5.00 p.m. on all days except Saturdays, Sundays and public holidays

Sr. No.	Material contracts / documents
1)	Memorandum and Articles of Association of the Company.
2)	Certificate of Registration issued by National Housing Bank under Sec. 29 A of the National Housing Bank Act 1987.
3)	Certified copy of the Resolution under Section 180(1)(c) of the Companies Act, 2013 passed by the Members in the Extraordinary General Meeting of the Company held on May 8, 2014.
4)	Certified copy of the Resolution under Section 42 of the Companies Act, 2013 passed by the Members in the Extraordinary General Meeting of the Company held on March 24, 2015.
5)	Certified true copy of the Resolution of the Board of Directors of the Company for issue of the debentures in its Meeting held on March 17, 2015



Sr. No.	Material contracts / documents
6)	Financial Statements of financial year 2012-13 and 2013-14.
7)	Copy of consent letter of IDBI Trusteeship Services Limited to act as debenture trustee for the proposed issue.
8)	Copy of credit rating letter along with credit rationale of Credit Analysis & Research Limited.
9)	Copy of consent letter of Karvy Computershare Private Limited to act as Registrar & Transfer Agent for the proposed issue.
10)	Copies of the Agreement with NSDL.
11)	Copy of agreement with Valuation Agency to act as Valuation Agent for the proposed issue.

- w. Any material event/development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue or subsequent to the issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**

There is no material event/development having an implication on the financial/credit quality. There are no litigations by or against the Company whose likely outcome will have a material adverse effect on the operations of the Company. Further, there are no outstanding litigations or defaults which pertain to matters which are likely to affect the operations and finances of the Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act. There are no penalties that have been imposed on the Company by any statutory authority.

- x. Particulars of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part (ii) at a premium or discount, or (iii) in pursuance of an option.**

The Company has not issued any debt security for consideration other than cash and/or at a premium or discount. The current NCD issue is at par on private placement basis. No NCDs have been issued in pursuance of an option.

- y. An undertaking that the Issuer shall use a common form of transfer.**

Please refer to the 'GENERAL TERMS AND CONDITIONS'.

- z. Redemption amount, period of maturity, yield on redemption.**

The Debentures shall be redeemed at such price and in the manner as mentioned in Summary Term Sheet.

- aa. Information relating to terms of offer or purchase**

Please refer Summary Term Sheet and 'GENERAL TERMS AND CONDITIONS'.

- bb. The discount at which such offer is made and the effective price for the investor as a result of such discount.**

Please refer Summary Term Sheet

- cc. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.**

The payment of interest & repayment of principal is made on the respective due dates.



ab. That the permission/consent from the prior creditor for a pari passu charge being created in favor of the trustees to the proposed issue has been obtained

In relation to Debentures which are secured, the security will be shared on a pari passu basis with existing lenders/ charge holders. The company is entitled to further borrow without any prior consent from the existing lenders/ charge holders till the standard security cover is maintained. The Company informs the existing lenders and trustees for the holders of debentures who hold charge on the Company's properties every 180 days by circulating pari passu letters notifying charge held by all borrowers.

ac. The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4(4) and also in all the subsequent periodical communications sent to the holders of debt securities.

The Debenture trustee for the proposed issuances will be IDBI TRUSTEESHIP SERVICES LIMITED. The Company has obtained consent from IDBI TRUSTEESHIP SERVICES LIMITED to act in relation to the proposed issuances. The copy of the consent letter from the Debenture Trustee has been annexed at Annexure – 2.

ad. The detailed rating rationale(s) adopted (not older than one year on the date of opening of the issue)/credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.

Credit Analysis & Research Limited ("CARE") having its registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022, Ph:(91 22) 6754 3456, Fax: (91 22) 6754 3457, has assigned "CARE PP-MLD AA+" ratings to these debentures.

Please refer to Credit Rating Rationale from CARE, attached as Annexure – 1.

ae. Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.

The Debentures are proposed to be listed on the **BSE** and it would be the designated stock exchange.

af. Payment and invocation details if the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent.

Not applicable

ag. Security creation

The Security has been created vide Debenture Trust Deed dated July 2, 2014, for allotment of the debentures as per each issue under this Information Memorandum.

In case of delay in execution of Trust Deed and charge documents(where applicable), the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate (if applicable as per the Summary Term Sheet) till these conditions are complied with at the option of the investor.



ah. Default in payment

In case of default in payment of Interest and/or principal redemption on the due, additional interest of at least @ 2% p.a. over the coupon rate (if applicable as per the Summary Term Sheet) will be payable by the Company for the defaulting period

ai. Delay in listing

In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of at least 1 % p.a. over the coupon rate (if applicable as per the Summary Term Sheet) from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor. The investor should make the necessary claim on the Company for the same



PART A – SUMMARY TERM SHEET

1.	Security Name	Reliance Home Finance Limited Market Linked Debentures, Series RHFL M/03
2.	Issuer / Company	Reliance Home Finance Limited
3.	Type of Instrument / Kind of Security	Rated, Listed, Secured, Redeemable, Non-Convertible, Principal Protected Market Linked Debentures/NCDs
4.	Series Number	RHFL M/03
5.	Board Resolution Dated	March 17, 2015
6.	Shareholders' General Resolution Dated	March 24, 2015
7.	Nature of instrument	Secured
8.	Seniority	Senior The Debentures Holders shall have pari passu first charge over the Security created among the Trustee and the other lenders.
9.	Mode of Issue	Private Placement
10.	Eligible Investor(s)	As mentioned in Category of Investors on page 56 of the Information Memorandum
11.	Listing	The Issuer proposes to submit listing document of this Series Debentures/NCDs issued under this Information Memorandum on the Wholesale Debt Market (“WDM”) Segment of the BSE Limited (“BSE”) within 15 (fifteen) days of Date of Allotment.
12.	Rating of the Instrument	CARE PP-MLD AA+ by Credit Analysis & Research Limited (“CARE”)
13.	Principal Amount / Face Value per Debenture	INR 5,00,000/- (Rupees Five Lakh Only)
14.	Minimum Application and in multiples of Debt securities thereafter	Minimum application shall be for 20 (Twenty) Debenture(s) and in multiples of 1 (One) thereafter.
15.	Issue size / Amount which the Company intends to raise	INR 8,00,00,000/- (RUPEES EIGHT CRORE ONLY)
16.	Option to retain oversubscription (amount)	INR 10,00,00,000/- (RUPEES TEN CRORE ONLY)
17.	Objects of the issue/ Purposes and Objects of the Offer	The Series Debentures / NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company.
18.	Details of utilization of the Proceeds	The issue proceeds shall be utilized in accordance with the Objects of the Issue.
19.	Interest on Application	Not Applicable



	Money	
20.	Default Interest Rate	Please refer page 37 of the Information Memorandum
21.	Call Option (Redemption at the Option of the Company)	Not Applicable
22.	Put Option (Redemption at the Option of Debenture holders)	Not Applicable, but see 45 below
23.	Issue Timing/ Proposed Time Schedule 1. Issue Open Date 2. Issue Close Date / Pay in Date 3. Deemed Date of Allotment	24 th June 2015 As mentioned in Provisions Relating To Coupon (If Any) and Redemption Amount Payable below 24 th June 2015 The Issue Close Date / Pay-in Date / Deemed Date of Allotment may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date / Deemed Date of Allotment shall be communicated to each investor in the Allotment Advice.
24.	Issuance mode of the Instrument	These debentures would be issued only in Dematerialized form (Demat) through authorized DP
25.	Trading mode of the Instrument	Demat mode only
26.	Settlement mode of the Instrument	RTGS / NEFT / Fund Transfer to the bank details as per NSDL records.
27.	Depository(ies)	NSDL
28.	Business Day Convention	Please refer page 61 of the Information Memorandum
29.	Record Date	15 (Fifteen) days prior to each Coupon Payment / Redemption date.
30.	Security	The debentures shall be secured by: A. Registered Mortgage over immovable property of the company, charged in favour of the Debenture Trustees, the description of which is as follows: Office No. 4/A, Third Floor, Shiv Complex, Near Panchbhatti, Station Road, Bharuch. B. Pari Passu first charge on book debts/ receivables, outstanding monies (loan book), receivable claims of the company (both present and future) with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of



		<p>minimum asset coverage of 100% of the issue amount.</p> <p>The above mentioned security shall be shared on pari passu basis with the existing lenders/ charge holders.</p>
31.	Security Cover	The Company shall maintain a minimum asset cover of 100% at all times.
32.	Contribution being made by Promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
33.	Transaction Documents	<p>(i) Debenture Trust Deed</p> <p>(ii) Information Memorandum</p> <p>(iii) Rating letter from CARE</p> <p>(iv) Consent letter of Karvy Computershare Private Limited to act as Registrar & Transfer Agent for the proposed issue;</p> <p>(v) Tripartite agreement between the Company, NSDL and the Registrar and Transfer Agent;</p> <p>(vi) Debt Listing Agreement with BSE Limited.</p>
34.	Conditions Precedent to Disbursement	Not Applicable
35.	Condition Subsequent to Disbursement	Not Applicable
36.	Events of Default	Please refer page 68 of the Information memorandum
37.	Provisions related to Cross Default Clause	Not Applicable
38.	Role and Responsibilities of Debenture Trustee	Please refer page 68 of the Information memorandum
39.	Governing Law and Jurisdiction	Please refer page 71 of the Information memorandum
40.	Payment Details	<p>Settlement Bank : HDFC Bank</p> <p>Branch Fort : 400 023</p> <p>Account No. : 00600310036128</p> <p>Account Name : Reliance Home Finance Limited</p> <p>IFSC Code : HDFC0000060</p>
41.	Registrars and Transfer Agents	Karvy Computershare Private Limited
42.	Trustees	IDBI Trusteeship Services Limited

43.	Placement Fee	<p>For each of this Debentures/NCDs applied for, a Placement Fee of upto 3.00% of the Issue Price may be payable to the Distributor (if any) by the Investor over and above the Issue Price.</p> <p>Note: For each of the Debentures/NCDs applied for, the Issuer shall collect the Placement Fee, in addition to the Issue Price of the Debentures/NCDs, from the Investor and credit such Placement Fee to the account of the Distributor (if any). For the avoidance of doubt such Placement Fee is not and should not be construed as payment of commission as mentioned under section 40 of the Companies Act, 2013 and the rules made thereunder.</p>
44.	Early Redemption	<p>If, for reasons beyond the control of the Company, the performance of the Company's obligations under this Issue is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures/NCDs, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which The Debentures/NCDs shall be redeemed (such date on which The Debentures/NCDs become immediately due and payable, the "Early Redemption Date").</p> <p>Provided however if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of the Debentures/NCDs held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of The Debentures/NCDs actually held by such class of Debenture Holders at the relevant time.</p> <p>If the Debentures/NCDs are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures/NCDs held by such Debenture Holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion.</p> <p>Early Redemption Amount means fair market value minus associated costs.</p>
45.	Premature Exit	<p>At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request.</p> <p>Such Premature Exit shall occur at a price:</p> <p>(a) which shall take into consideration the market value of the Debentures, all costs incurred by the Company (including costs of unwinding any hedge); and</p> <p>(b) the price computed under (a) above shall be further reduced by such amount not exceeding 10.00% of the face value of the Debentures/NCDs to be determined by the Company at its sole discretion.</p> <p>A request for Premature Exit by an Investor shall not be considered if made within 1 (one) year from the Deemed Date of Allotment.</p>


PROVISIONS RELATING TO COUPON (IF ANY) AND REDEMPTION AMOUNT PAYABLE

1.	Issue Price per Bond/ Price of the Security & Justification	100.00% of Principal Amount (Face Value) (The security is being issued at par, with the Coupon Rate and Coupon Payment Frequency as already mentioned herein which is in accordance with the prevailing market conditions at the time of issue)
2.	Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
3.	Issue Close Date / Pay in Date	24 th June 2015 The Issue Close Date / Pay-in Date may be rescheduled, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date shall be communicated to each investor in the Allotment Advice.
4.	Initial Valuation Date/ Fixing Date	24 th June 2015 The Initial Valuation Date/ Fixing Date may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Initial Valuation Date/ Fixing Date shall be communicated to each investor in the Allotment Advice.
5.	Contingent Early Redemption	Contingent Early Redemption is deemed to have occurred if the “Contingent Early Redemption Condition” is satisfied. Should a Contingent Early Redemption occur, the Debenture will be redeemed in whole, but not in part, on the Contingent Early Redemption Date at an amount equal to 100% of Principal Amount + Contingent Early Redemption Amount
6.	Contingent Early Redemption Condition	If on any Contingent Early Redemption Observation Date the Official Closing Level of Reference Index is at or above the Trigger Level.
7.	Final Valuation Date (applicable only if the Contingent Early Redemption Condition is not satisfied)	The CNX Nifty Index futures expiry date in the month of February 2017. (i.e. 23 rd February 2017 , provided that, if such date is not a scheduled CNX Nifty Index futures expiry date, then the CNX Nifty Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date)
8.	Final Redemption Date / Final Maturity Date (applicable only if the Contingent Early Redemption Condition is not satisfied)	26 th June 2017 Since the Deemed Date of Allotment, Initial Valuation Date/ Fixing Date may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the respective dates mentioned herein, this could result in change in the Final Redemption Date / Final Maturity Date.
9.	Contingent Early Redemption Date	28 (twenty eight) Days after the Contingent Early Redemption Observation Date on which the Contingent Early Redemption Condition was satisfied
10.	Observation Dates	<u>Contingent Early Redemption Observation Dates</u> The CNX Nifty Index futures expiry dates in the months of June 2016 to February 2017 (both inclusive) which are expected to be as below* : 1) 30 th June 2016; 2) 28 th July 2016; 3) 25 th August 2016;



		<p>4) 29th September 2016; 5) 27th October 2016; 6) 24th November 2016; 7) 29th December 2016; 8) 25th January 2017 and 9) 23rd February 2017</p> <p>* Provided that, if any such date is not a scheduled CNX Nifty Index futures expiry date, then the CNX Nifty Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the observation date.</p>																												
11.	Trigger Level	<p>106.00% of the Official Closing Level of the Reference Index on the Initial Valuation Date.</p> <p>Trigger Level as defined herein shall be communicated to each investor in the Allotment Advice</p>																												
12.	Tenor (applicable only if the Contingent Early Redemption Condition is not satisfied)	733 (Seven Hundred and Thirty Three) Days from the Deemed Date of Allotment																												
13.	Redemption Amount (applicable only if the Contingent Early Redemption does not occur)	<p>On the Redemption Date / Final Maturity Date, each Debenture/NCD Holder will receive per Debenture/NCD held an amount equal to</p> <p>100% of Principal Amount only</p>																												
14.	Redemption Premium / Discount	Not Applicable																												
15.	Coupon Type / Basis (a) Reference Index Index Sponsor	<p>Reference Index Linked</p> <p>CNX Nifty Index</p> <p>India Index Services & Products Limited (IISL)</p>																												
16.	(b) Change of Coupon Basis/Step Up/Step Down Coupon Rate	Not Applicable																												
17.	Coupon Payment Dates/ Frequency	See "Contingent Early Redemption"																												
18.	Coupon Rate/Amount (Contingent Early Redemption Amount)	<p>100% of Principal Amount * Contingent Coupon</p> <p>Where,</p> <table border="1"> <thead> <tr> <th>Contingent Early Redemption Observation Dates</th> <th>Contingent Early Redemption Date</th> <th>Contingent Coupon (Absolute)</th> <th>Annualized</th> </tr> </thead> <tbody> <tr> <td>30th June 2016</td> <td>28th July 2016</td> <td>14.05%</td> <td>12.75%</td> </tr> <tr> <td>28th July 2016</td> <td>25th August 2016</td> <td>15.11%</td> <td>12.75%</td> </tr> <tr> <td>25th August 2016</td> <td>22nd September 2016</td> <td>16.17%</td> <td>12.75%</td> </tr> <tr> <td>29th September 2016</td> <td>27th October 2016</td> <td>17.52%</td> <td>12.75%</td> </tr> <tr> <td>27th October 2016</td> <td>24th November 2016</td> <td>18.61%</td> <td>12.75%</td> </tr> <tr> <td>24th November 2016</td> <td>22nd December 2016</td> <td>19.70%</td> <td>12.75%</td> </tr> </tbody> </table>	Contingent Early Redemption Observation Dates	Contingent Early Redemption Date	Contingent Coupon (Absolute)	Annualized	30th June 2016	28th July 2016	14.05%	12.75%	28th July 2016	25th August 2016	15.11%	12.75%	25th August 2016	22nd September 2016	16.17%	12.75%	29th September 2016	27th October 2016	17.52%	12.75%	27th October 2016	24th November 2016	18.61%	12.75%	24th November 2016	22nd December 2016	19.70%	12.75%
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		29th December 2016	26th January 2017	21.09%	12.75%
		25th January 2017	22nd February 2017	22.17%	12.75%
		23rd February 2017	23th March 2017	23.34%	12.75%
		<p>“Contingent Coupon” above represents the amount that will be paid if the Contingent Condition has been satisfied on any Contingent Early Redemption Observation Date.</p> <p>For clarification, once the Contingent Condition has been satisfied, the Debentures will be redeemed and no further amounts shall be payable.</p>			
19.	Valuation Agency	<p>Credit Analysis and Research Ltd.</p> <p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency at https://researchreports.careratings.com/mld-valuation/</p> <p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer at http://www.reliancecapital.co.in/Valuation.html.</p> <p>The cost of valuation shall be in the range of 0.05% p.a. to 0.15% p.a. of issue size and shall be borne by the Issuer.</p> <p>The latest and historical valuations for the this Debentures/NCDs will be published on the website of the Issuer at http://www.reliancecapital.co.in/Valuation.html and the website of the Valuation Agency at https://researchreports.careratings.com/mld-valuation/</p> <p>Upon request by any Debenture/NCD Holder for the valuation of this Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p>			

**Illustration of Cash Flows**

Company	Reliance Capital Limited																				
Face Value (per security)	Rs.5,00,000/- (Rupees Five Lakh only)																				
Date of Allotment	24 th June, 2015																				
Date of Redemption (applicable only if Contingent Early Redemption Condition is not satisfied)	26 th June 2017																				
Coupon Rate	Market Linked																				
Frequency of the Interest Payment with specified dates	<p>As specified in “Provisions Relating To Coupon (If Any) And Redemption Amount Payable” above, if the “Contingent Early Redemption Condition” is satisfied, the Debentures will be redeemed in whole, but not in part, on the Contingent Early Redemption Date at an amount equal to 100% of Principal Amount + Contingent Early Redemption Amount</p> <p>Contingent Early Redemption Dates (if applicable) shall be:</p> <table border="1"> <thead> <tr> <th>Contingent Early Redemption Observation Date</th> <th>Contingent Early Redemption Date</th> </tr> </thead> <tbody> <tr> <td>1)</td> <td>28th July 2016</td> </tr> <tr> <td>2)</td> <td>25th August 2016</td> </tr> <tr> <td>3)</td> <td>22nd September 2016</td> </tr> <tr> <td>4)</td> <td>27th October 2016</td> </tr> <tr> <td>5)</td> <td>24th November 2016</td> </tr> <tr> <td>6)</td> <td>22nd December 2016</td> </tr> <tr> <td>7)</td> <td>26th January 2017</td> </tr> <tr> <td>8)</td> <td>22nd February 2017</td> </tr> <tr> <td>9)</td> <td>23rd March 2017</td> </tr> </tbody> </table>	Contingent Early Redemption Observation Date	Contingent Early Redemption Date	1)	28 th July 2016	2)	25 th August 2016	3)	22 nd September 2016	4)	27 th October 2016	5)	24 th November 2016	6)	22 nd December 2016	7)	26 th January 2017	8)	22 nd February 2017	9)	23 rd March 2017
Contingent Early Redemption Observation Date	Contingent Early Redemption Date																				
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6)	22 nd December 2016																				
7)	26 th January 2017																				
8)	22 nd February 2017																				
9)	23 rd March 2017																				
Day Count Convention	Not Applicable																				

For the purpose of this illustration we have only considered 1 (one) “Contingent Early Redemption Observation Date” against a total of 9 (nine) “Contingent Early Redemption Observation Dates”

- a) Applicable if Contingent Early Redemption Condition is satisfied on the 5th Contingent Early Redemption Observation Date, i.e. October 27, 2016

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
Coupon	24 th November 2016	519	INR 93,050
Principal Redemption	24 th November 2016	519	INR 500,000



Total			INR 593,050
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b) Applicable if Contingent Early Redemption Condition is never satisfied

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
Coupon	26 th June 2017	733	Nil
Principal Redemption	26 th June 2017	733	INR 500,000
Total			INR 5,00,000

Note: Payment dates are subject to change as per holidays declared in that particular year. Payment convention as specified in SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 shall be followed.



Scenario Analysis

The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenarios. (Assuming Initial level of the Reference Index is 8400)

A. Tabular Representation

For the purpose of this illustration we have only considered 3 (three) "Contingent Early Redemption Observation Dates" against a total of 9 (nine) "Contingent Early Redemption Observation Dates".

Contingent Early Redemption Observation Date: 30th June 2016

Scenario	Performance of Reference Index	Contingent Early Redemption Condition satisfied?	Return on Debenture	Initial Investment in MLD (in INR)	Early Redemption Amount (in INR)	Return on Debenture (annualized)
Rising Market Conditions	6.00% or higher	Yes	14.05%	10,000,000	11,405,000	12.75%
Stable Market Conditions	0.00%	No (to be next observed on 28 th July 2016)	NA	10,000,000	NA	NA
Falling Market Conditions	-6.00%	No (to be next observed on 28 th July 2016)	NA	10,000,000	NA	NA

Contingent Early Redemption Observation Date: 27th October 2016

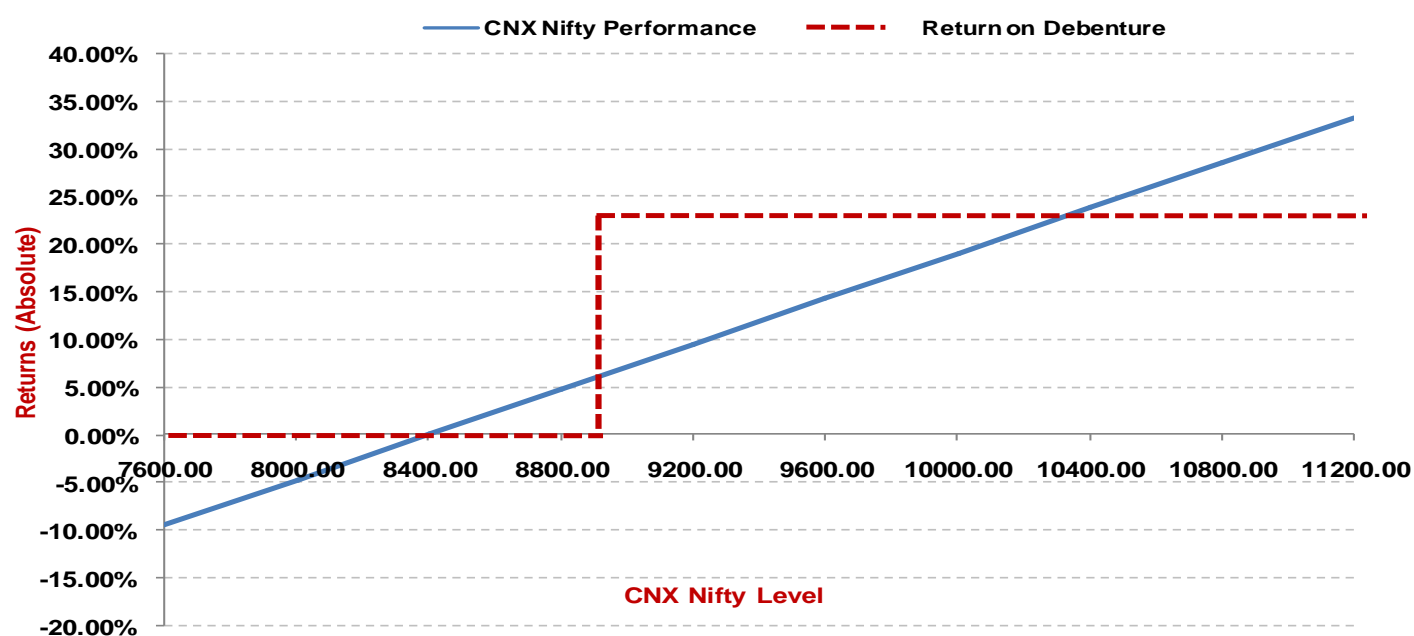
Scenario	Performance of Reference Index	Contingent Early Redemption Condition satisfied?	Return on Debenture	Initial Investment in MLD (in INR)	Early Redemption Amount (in INR)	Return on Debenture (annualized)
Rising Market Conditions	6.00% or higher	Yes	18.61%	10,000,000	11,861,000	12.75%
Stable Market Conditions	0.00%	No (to be next observed on 24 th November 2016)	NA	10,000,000	NA	NA
Falling Market Conditions	-6.00%	No (to be next observed on 29 th November 2016)	NA	10,000,000	NA	NA

Contingent Early Redemption Observation Date: 23rd February 2017

Scenario	Performance of Reference Index	Contingent Early Redemption Condition satisfied?	Return on Debenture	Initial Investment in MLD (in INR)	Early / Final Redemption Amount (in INR)	Return on Debenture (annualized)
Rising Market Conditions	6.00% or higher	Yes	23.34%	10,000,000	12,334,000	12.75%
Stable Market Conditions	0.00%	No	0.00%	10,000,000	10,000,000	Nil
Falling Market Conditions	-6.00%	No	0.00%	10,000,000	10,000,000	Nil

B. Graphical Representation

The graph below illustrates the coupon paid at Maturity assuming that the Contingent Early Redemption Event has not occurred until the Final Valuation Date.



NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.



DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE INDEX

The information contained herein with respect to the Reference Index is of limited scope and consists only of extracts from, or summaries of, documents, or information or data which are publicly available and have been assumed to be reliable. However, this information is provided to prospective investors for their convenience only. The Company accepts no responsibility for the accuracy or completeness of the information concerning the Reference Index or for the occurrence of any event which would affect the accuracy or completeness of such information. In deciding whether to subscribe to the Debentures, prospective investors should form their own view of the merits of investing in the Debentures based upon their own investigation, including consultation with their own professional advisers as they may consider appropriate, and not in reliance upon the information herein.

INFORMATION IN RELATION TO CNX NIFTY INDEX

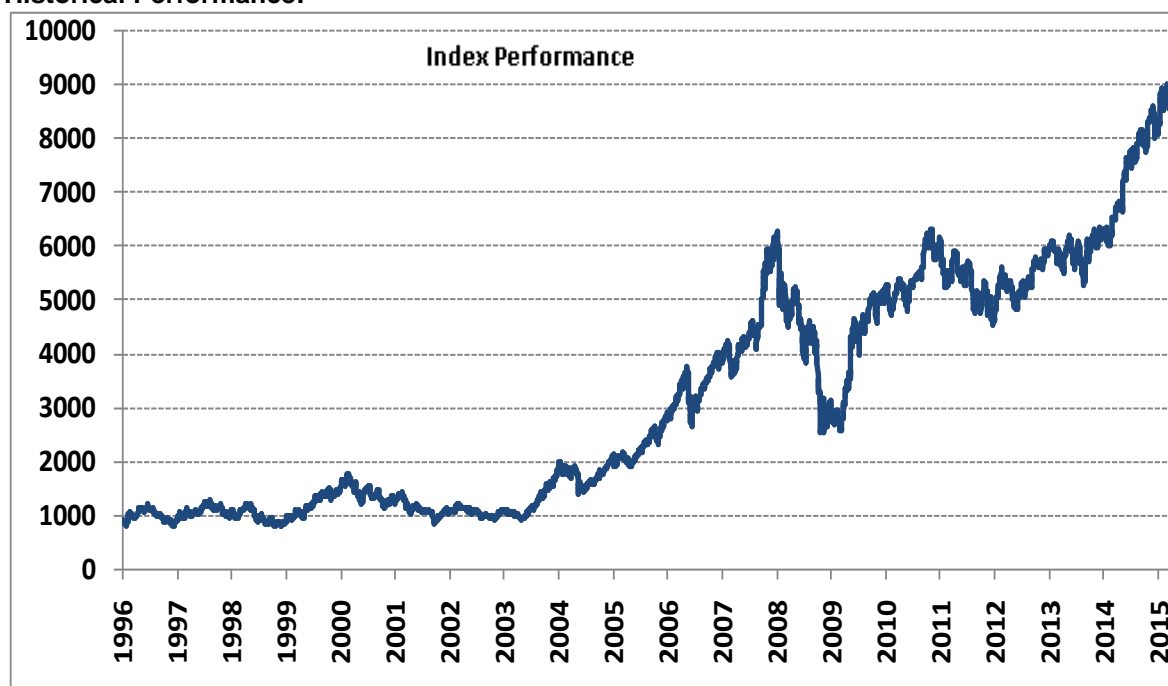
The CNX Nifty is a well diversified 50 stock index accounting for 23 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds.

CNX Nifty is owned and managed by India Index Services and Products Ltd. (IISL). IISL is India's first specialised company focused upon the index as a core product.

- The CNX Nifty Index represents about 66.17% of the free float market capitalization of the stocks listed on NSE as on March 31, 2015.
- The total traded value for the last six months ending March 2015 of all index constituents is approximately 46.22% of the traded value of all stocks on the NSE.
- Impact cost of the CNX Nifty for a portfolio size of Rs.50 lakhs is 0.06% for the month March 2015.
- CNX Nifty is professionally maintained and is ideal for derivatives trading.

From June 26, 2009, CNX Nifty is computed based on free float methodology.

Historical Performance:





Disclaimer by the Sponsor

The Debentures are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Debentures or any member of the public regarding the advisability of investing in securities generally or in the Debentures particularly or the ability of the CNX Nifty Index to track general stock market performance in India. The relationship of IISL to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by IISL without regard to the Issuer or the Debentures. IISL does not have any obligation to take the needs of the Issuer or the owners of the Debentures into consideration in determining, composing or calculating the CNX Nifty Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Debentures to be issued or in the determination or calculation of the equation by which the Debentures is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Debentures.

IISL do not guarantee the accuracy and/or the completeness of the CNX Nifty Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the Debentures, or any other person or entity from the use of the CNX Nifty Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Debentures, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

TERMS AND CONDITIONS RELATING TO THE REFERENCE INDEX

"Additional Disruption Event" means, in respect of the Reference Index, any of Change in Law, Hedging Disruption or Increased Cost of Hedging.

"Change in Law" means that, on or after the Deemed Date of Allotment (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines in its sole and absolute discretion that (i) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or dispose of any Component Asset, or (ii) the Company will incur a materially increased cost in performing its obligations in relation to the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any of its affiliates or agents acting on its behalf).

"Component Asset" means,

a) in respect of Type of Debentures where the Reference Index is the CNX Nifty Index, any security comprised within the Reference Index from time to time.

or

b) in respect of Type of Debentures where the Reference Index is the Reliance 24 Karat Index, gold having a fineness of 995.0 parts per thousand and constituting the Reference Index as determined by the Index Calculation Agent at its sole and absolute discretion.



“Disrupted Day” means, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Early Closure” means, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

“Exchange” means,

- a) in respect of Type of Debentures where the Reference Index is the CNX Nifty Index, the NSE Limited, any successor to such exchange or any substitute exchange or quotation system to which trading in such shares underlying such Reference Index has temporarily relocated (provided that the Issuer has determined that there is comparable liquidity relative to such shares underlying such Reference Index on such temporary substitute exchange or quotation system as on the original Exchange).
- b) in respect of Type of Debentures where the Reference Index is the Reliance 24 Karat Index, the BSE Limited, and any successor to such exchange.

“Exchange Business Day” means, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means, any event (other than an Early Closure) that (i) disrupts or impairs (as determined by the Company) the ability of market participants in general to obtain market values for, the Reference Index on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Index on any relevant Exchange.

“Hedging Disruption” means that if at any time the Issuer is unable to obtain a “value of Reference Index based on an actual executed price of the constituent of such index”, whether by virtue of its inability to unwind any relevant hedge position, prevailing market conditions or such other events and/or circumstances which are beyond the control of the Issuer, then the Company shall reasonably determine the “value of Reference Index” to be applied in such circumstances; or redeem the Debentures in full (but not in part only) at their fair market value minus associated costs by giving notice to Debentures Holders.

“Increased Cost of Hedging” means that the Company and/or any of its affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Initial Valuation Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Debentures, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s); provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any of its affiliates or agents acting on its behalf shall not be deemed an Increased Cost of Hedging.

“Market Disruption Event” means, in respect of Type of Debentures where the Reference Index is the CNX Nifty Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Company determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in relation to the Reference Index at any time, if a Market Disruption Event occurs in respect of a security included in the Reference Index at any time, then the relevant percentage contribution of that security to the level of the Reference Index



shall be based on a comparison of (a) the portion of the level of the Reference Index attributable to that security and (b) the overall level of the Reference Index, in each case immediately before the occurrence of such Market Disruption Event. The Company shall, as soon as reasonably practicable, notify the Debenture holder of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been a Observation Date;

“Observation Date” shall mean each Date as specified in the Summary Term Sheet above, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Company shall determine the level of the Reference Index as of the Observation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Observation Time on that eighth Scheduled Trading Day of each security comprising the Reference Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Valuation Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Valuation Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Valuation Date.

“Observation Time” means any time within normal business hours;

“Official Closing Level” means (subject to what is provided below in reference to Adjustments to the Reference Index), the official closing level of the Reference Index of a given day as published by the National Stock Exchange;

“Scheduled Closing Time” means,

- a) in respect of Type of Debentures where the Reference Index is the CNX Nifty Index, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;
- or
- b) in respect of Type of Debentures where the Reference Index is the Reliance 24 Karat Index, the scheduled weekday closing time for the purpose of determining the value of the Reference Index as on such day;

“Scheduled Trading Day” means any weekday on which the Exchange is scheduled to be open for trading for their respective regular trading sessions (other than special trading sessions);

“Sponsor” means,

- a) in respect of Type of Debentures where the Reference Index is the CNX Nifty Index, IISL
- or
- b) in respect of Type of Debentures where the Reference Index is the Reliance 24 Karat Index, RSL

“Trading Disruption” means, in respect of Type of Debentures where the Reference Index is the CNX Nifty Index, any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise (i) on the Exchange relating to the relevant share that comprise 20.00% or more level of the



Reference Index or (ii) in futures or options contracts relating to the Reference Index on any relevant Exchange;

“Valuation Time” means the Scheduled Closing Time on the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Adjustments to the Reference Index

If the Reference Index:

- (a) is not calculated and published by the Sponsor but is calculated and published by a successor to the Sponsor acceptable to the Company; or
- (b) is replaced by a successor index using, in the determination of the Sponsor, the same or a substantially similar formula for and method of calculating the Reference Index, then in each case that index (the **Successor Reference Index**) will be deemed to be the Reference Index.

If:

- (a) on or prior to any Observation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalisation and other routine events) (a **“Reference Index Modification”**); or
- (b) on a Observation Date, the Sponsor fails to calculate and announce the Reference Index (a **“Reference Index Disruption”**) and, together with a Reference Index Modification and a Reference Index Cancellation each a **“Reference Index Adjustment Index”**),

then the Company shall, in its the sole and absolute discretion, determine if such Reference Index Adjustment Event has a material effect on the Debentures and, if so, the Company will in good faith calculate the Official Closing Level using, in lieu of a published level for the Reference Index, the level for the Reference Index as at the Valuation Time on the relevant Observation Date in accordance with the formula for and method of calculating the Reference Index last in effect prior to that change, failure or cancellation but using only the Component Asset that comprised the Reference Index immediately prior to that Reference Index Adjustment Event.

If the level of the Reference Index in relation to a Observation Date used or to be used to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Final Maturity Date, then the level of the Reference Index for that Observation Date shall be the level of the Reference Index as so corrected.

If, on or prior to any Observation Date, the Sponsor permanently cancels the Reference Index and no Successor Reference Index exists (a **“Reference Index Cancellation”**), this shall constitute an Early Redemption Event for Extraordinary Reason as referred to in the Terms and Conditions above and accordingly consequent early redemption of the Debentures by the Company if so elected for by the Company.

Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Company in its sole and absolute discretion may either:
 - (i) determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Debentures to



account for the Additional Disruption Event and determine the effective date of that adjustment; or
(ii) redeem the Debentures in full (but not in part only) at their fair market value minus associated costs by giving notice to Debentures holders.

(b) Upon the occurrence of an Additional Disruption Event, the Company shall give notice as soon as practicable to the Debenture Holders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

DISCLAIMERS RELATING TO THE REFERENCE INDEX(ICES)

The Company does not guarantee the accuracy and/or the completeness of the Reference Index(ices) or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. The Company makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Reference Index(ices) or any data included therein. The Company is in no way responsible or liable for any mathematical errors made in computation of the Reference Index(ices).

Notwithstanding anything herein contained, the Company shall not bear responsibility or liability for any losses arising due to any delay in or interruptions of performance of (a) the Sponsor's obligations with regard to the Reference Index(ices). Furthermore, the Company shall not bear responsibility or liability for any losses arising due to any *Force Majeure* Event. (b) the Company's obligations under this Information Memorandum, due to any act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Company.

"*Force Majeure* Event" for the purposes of the clause (a) above, means any war, strike, lock-out, national disaster, act of terrorism, an act of Company occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Company of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc.



PART B - GENERAL TERMS AND CONDITIONS

I. Issue of Debentures

The Issuer will issue the Debentures in dematerialised form and has made depository arrangements with NSDL in this respect. The Investors will have to trade the Debentures in dematerialised form and deal with the same as per the provisions of The Depositories Act, 1996 and rules notified by NSDL from time to time.

Applicants should mention their Depository Participants name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. The Company or the RTA shall take necessary steps to credit the Depository Account of the allottee(s) with the amount of Debentures allotted.

The initial credit of the Debentures in the beneficiary account of the Investor will be akin to the Letter of Allotment.

II. Mode of Transfer

The Debentures are being issued in dematerialised form and shall be transferable and transmittable in dematerialised **form** and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply mutatis mutandis to the transfer and transmission of the Debentures. Transfer of Debentures would be in accordance with the rules / procedures as prescribed by NSDL / Depository Participant. Nothing provided herein shall prejudice any power of the Company to register as Debenture Holder any person to whom the right to any Debenture of the Company has been transmitted by operation of law.

Transfer of Debentures to and from Non-Resident Indians ("NRI")/ Overseas Corporate Bodies ("OCB") in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI.

III. Succession

In the event of demise of the sole/first holder of the Debentures, the Company will recognise the executor or administrator of the deceased Debenture Holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognise such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.

IV. Right to Re-purchase and Re-issue the Debentures

The Company may repurchase the Debentures, in the secondary market, at any time and from time to time prior to the specified date of redemption. In the event of the Debentures being bought back, or redeemed before maturity in any circumstances whatsoever, the Company shall be deemed to have always the right to re-issue the Debentures.

V. Terms of Payment

The full face value of Debenture(s) to be paid along with the Application Form.

The details specific to the issuance will be communicated to the potential investor through the Summary Term Sheet.



VI. Early Redemption for Extraordinary Reason, Illegality and Force Majeure

If, for reasons beyond the control of the Company, the performance of the Company's obligations under the Debentures is prevented by reason of *force majeure* including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights. The Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date").

Provided however if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of Debentures held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of Debentures actually held by such class of Debenture Holders at the relevant time.

If the Debentures are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion.

Early Redemption Amount means fair market value minus associated costs.

VII. Categories of Investors

Only persons to whom an offer is specifically made under this Information Memorandum will be eligible to apply.

Investors in the following categories to whom an offer is specifically made under this Information Memorandum will be eligible to apply:

- Companies, Body Corporate, Financial Institutions, NBFCs, Statutory Corporations
- Commercial Banks including but not restricted to commercial, private, foreign, co-operative and regional rural banks.
- Provident funds/ Superannuation funds or gratuity funds, private trusts, as may be permitted by respective rules and guidelines of such funds/ trusts.
- Registered Society
- Partnership Firms
- HUFs
- High Net worth Individuals
- Insurance companies
- Mutual Funds
- Portfolio Manager registered with SEBI
- SEBI registered FII
- Application under Power of Attorney
- Any other investor permitted to invest in debentures of Indian Body Corporate

SEBI vide its circular CIR/IMD/FIIC/18/2010 dated November 26, 2010 and RBI vide its circular No. 89 dated March 1, 2012 had decided that a SEBI registered FII/sub-accounts of FII can now invest in primary issues of non-convertible debentures (NCDs)/ bonds only if listing of such NCDs/bonds is committed to be done within 15 days of such issue. In case the NCDs/bonds issued to the SEBI registered FII/sub-accounts of FII are not listed within 15 days of such issue to the SEBI registered FII/sub-accounts of FII, for any reason, then the FII/sub-account of FII shall immediately dispose off these NCDs/bonds either by way of sale to a third party or to the Issuer.



The Issuer hereby undertakes that in case the Debentures are not listed within 15 days of issuance (the “**Listing Period**”) to the SEBI registered FII / sub-accounts of FIIs, for any reason, the Issuer shall on the next Business Day on expiry of the Listing Period redeem / buyback the Debentures from the FIIs/sub-accounts of FIIs.

VIII. Abundant precaution

As a matter of abundant caution and although not applicable in the case of Debentures, attention of applicants is specially drawn to any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.

IX. How to apply

All applications for the Debenture(s) must be in the prescribed Application Form attached hereto and be completed in block letters in English. It is presumed that the application is signed and made by persons duly empowered and authorized by the entity on whose behalf the application is made. Application forms must be accompanied by either a Demand Draft or a Cheque, drawn in favour of “Reliance Home Finance Limited” and duly crossed “Account payee only” or through Electronic Clearing System (“**ECS**”), Real Time Gross Settlement (“**RTGS**”) or National Electronic Funds Transfer (“**NEFT**”). All cheques/ DDs/Pay orders of banks are to be made payable at Mumbai. Outstation cheques, money orders, postal orders will not be accepted. The Company will not be responsible or accountable in any manner for any instruments or applications lost in transit or mail.

It may be noted that a separate application can be made in respect of each scheme of an Indian Mutual Fund/ Asset Management Companies registered with SEBI and such applications would not be treated as multiple applications.

The application form will be made available along with the Summary Term Sheet at the time of **offer**. The applicant should mention their PAN at the appropriate place in the application form.

X. Applications to be accompanied by bank account details

Every application must be accompanied by the bank account details of the applicant and the MICR code of the bank for the purpose of availing direct credit and all other amounts payable to the debenture holder through ECS, RTGS or NEFT.

XI. Documents to be provided by Investors

1. Applications by Body Corporates / Companies / Financial Institutions / NBFCs / Statutory Corporations

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association / constitutional documents / bye-laws; (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signatures of authorized signatories; (iv) PAN Cards



2. Application by Scheduled Commercial Banks

The application must be accompanied by certified true copies of (i) Board Resolution authorising investments or letter of authorization or Power of Attorney and (ii) specimen signatures of authorized signatories.

3. Application by Co-operative Banks

The application must be accompanied by certified true copies of (i) Board Resolution authorising investment along with operating instructions/power of attorney; and (ii) specimen signatures of authorised signatories.

4. Application by Regional Rural Banks

The applications must be accompanied by certified true copies of (i) Government notification / Certificate of Incorporation / Memorandum and Articles of Association / other documents governing the constitution; (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signature of authorized signatories.

5. Applications by Provident Funds, Superannuation Funds and Gratuity Funds

The application must be accompanied by certified true copies of (i) trust deed / bye-laws / regulations; (ii) resolution authorising investment; and (iii) specimen signatures of authorised signatories.

6. Application by Registered Societies

The application should be accompanied by certified true copies of (i) Memorandum of Association / deed/any other instrument regulating or governing the constitution of the society, and rules and regulations / bye-laws of the Society; (ii) resolution authorising investment along with operating instructions/power of attorney; (iii) proof of registration with relevant statutory authority; and (iv) specimen signatures of authorised signatories.

7. Application by Partnership Firm

The applications must be accompanied by certified true copies of (i) the PAN Card of the partnership firm; (ii) copy of the partnership deed; and (iii) the photo identity proof like Passport / PAN Card / Driving License, etc. of the partner(s) signing the Application Form and specimen signatures of authorised signatories and (iv) an authority letter from all partners authorising such investment.

8. Application by HUF

The applications must be accompanied by certified true copies of the PAN Card of the HUF, the photo identity proof like Passport / PAN Card / Driving License, etc. of the Karta of the HUF, telephone bill/electricity bill/bank account statement, etc. and declaration from the Karta and co-parcenors authorizing such investment also need to be provided to the Company.

9. Application by High Net worth Individuals

The applications must be accompanied by certified true copies of photo identity proof like Passport / PAN Card / Driving License, etc.



10. **Application by Insurance Companies**

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association (ii) power of attorney; (iii) resolution authorising investment and containing operating instructions; (iv) specimen signatures of authorised signatories; and (v) copy of PAN.

11. **Application by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories.

12. **Application by a Portfolio Manager registered with SEBI**

The application should be accompanied by certified true copy of (i) resolution of the Board of Director, authorizing, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures alongwith authorized signatory list; and (ii) certified copy of **registration certificate** issued by the SEBI to undertake Portfolio Management activities.

13. **Application under Power of Authority / Relevant Authority**

In case of an application made under a Power of Attorney or resolution or authority or mandate a certified true copy thereof along with Memorandum and Articles of Association and / or bye laws must be attached to the application at the time of making the application, failing which the **Company** reserves the full, unqualified and absolute rights to accept or reject any application in whole or in part and in either case without assigning any reasons thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the completed application forms.

14. **Application by SEBI registered FII**

The applications must be accompanied by certified true copies of (i) PAN Card of the FII; (ii) constitutional documents; (iii) resolution authorizing investment and containing operating instructions; and (iv) tax residency certificate.

DISCLAIMER: PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THE INFORMATION MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASONS FOR THE SAME. THE LIST OF DOCUMENTS PROVIDED ABOVE IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS/AUTHORISATIONS/ INFORMATION, WHICH ARE LIKELY TO BE REQUIRED BY THE COMPANY. THE COMPANY MAY, BUT IS NOT BOUND TO, REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS/INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. THE REGULATIONS/NOTIFICATIONS REGARDING INVESTMENT MENTIONED ABOVE ARE MERELY IN THE FORM OF GUIDELINES AND THE COMPANY DOES NOT WARRANT THAT THEY ARE ACCURATE, OR HAVE NOT BEEN MODIFIED. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS ISSUED BY THEIR RESPECTIVE REGULATORY AUTHORITIES, AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY,



RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

XII. Nomination Facility

Debenture Holders can avail the nomination facility as per the provisions of section 72 of the Companies Act, 2013 read with rules thereunder.

XIII. Right to accept or reject applications

The Company is entitled at its sole and absolute discretion, to accept or reject any application in part or in full, without assigning any reason. Incomplete Application Forms are liable to be rejected. The full amount of Debenture(s) has to be submitted along with the Application Form. Also, in case of over subscription, the Company reserves the right to increase the size of the placement subject to necessary approvals/certifications, and the basis of allotment shall be decided by the Company.

XIV. Payment of Interest on Application Money

For applicants whose applications have been rejected or allotted in part, interest on their refundable application money will be dispatched within 15 working days of the Deemed Date Allotment and the Company shall ensure adequate funds for the same. Interest will be computed at applicable rate (to be finalized at the time of the Issue), on refundable application money from the date of realization of cheque/draft/credit in the account. For the successful allottees the interest on application money on the allotted amount will be paid within 15 working days of the Deemed Date Allotment. The interest on application money will be computed on actual/actual basis.

XV. Allotment Intimation

The Company would make depository arrangements with the **NSDL** for the issue of these Debentures in Electronic (Dematerialized) Form. The Investors holding these Debentures in the Electronic (Dematerialized) Form will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL from time to time and other applicable laws and rules notified in respect thereof.

Investors should mention their NSDL Depository Participant's name ("**DP**"), DP-ID and Beneficiary Account Number (Client Id) at the appropriate place in the Application Form. The Company shall take reasonable steps to credit the Beneficiary Account of the Allottee(s), with the NSDL Depository Participant as mentioned in the Application Form, with the number of Debentures allotted. The applicant is responsible for the correctness of its details given in the Application Form vis-à-vis those with its DP. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.

The Company shall credit the Letter(s) of Allotment in Electronic Form to the dematerialized account of the Investors as per the details furnished in the Application Form. The Allotment Intimation will be sent to the Allottee(s). This Allotment Intimation should neither be construed as a Letter(s) of Allotment nor as a credit advice; and hence it is non-transferable/non-transmittable and not tradable. The Company will credit the Debentures into the investor(s)' Demat account with the investor's DP within 2 working days from Date of Allotment.

XVI. Register of Debenture Holder(s)

A register of all Registered Debenture Holder(s) containing necessary particulars will be maintained by the Company's Registrar and Transfer Agent.



The Company shall request the Depository to provide a list of Beneficial Owners as at end of day of the Record Date. This list shall be considered for payment of interest, repayment of principal and amortisation, as the case maybe. The company shall credit interest on Debentures and/or redemption amount of debentures as per NSDL records. Debenture holders are required to keep the records updated with respective Depository with whom they have their accounts.

XVII. Rights of all Debenture Holders

The Debenture Holders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Debentures shall not confer upon the Debenture holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Company. The Principal Amount and interest, if any, on the Debentures will be paid to the Debenture holder only, or in the case of joint holders, to the one whose name stands first. The Debentures shall be subjected to other usual terms and conditions incorporated in the Debenture certificate(s) that will be issued to the allottee(s) of such Debentures by the Company and also in the Debenture Trustee Agreement / Debenture Trust Deed.

XVIII. Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three-fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

XIX. Effect of Holidays

If any date except the date of allotment, falls on a public holiday, the Modified Following Business Day convention shall be considered.

In case any Interest Payment Date(s) falls on a Sunday or a holiday the coupon payment shall be made on the next working day. In case the Date(s) of Redemption falls on a Sunday or a holiday, the redemption proceeds and accrued interest (if any) shall be paid on the previous working day. Working day, for the purpose of this clause, shall mean a day on which scheduled commercial banks are open for business in the city of Mumbai, Maharashtra).

XX. Notices

All notices required to be given by the **Company** to the **Debenture** Holders will be deemed to have been given if published in one English and one regional daily newspaper in the area where the debentures are listed.

XXI. Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/document, under the relevant provisions of the Income Tax Act, 1961, if any, must be lodged at the office of the Company, at least 30 days before the payment becoming due.

XXII. Additional Risk Disclosures

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the Debentures shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscriber and any subsequent purchaser (Debenture Holder, as referred to hereinabove and hereinafter):



- (a) has (1) sufficient knowledge, experience and expertise as an Investor, to make the investment in the Debentures; (2) not relied on the Issuer Group or any person acting in its or their behalf (“Agents”) for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in this Information Memorandum; (3) understood that information contained in this Information Memorandum, or any other document issued by the Company is not to be construed as business or investment advice; and (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;
- (b) has understood that the Issuer Group, including the Company, or any Agents, from time to time may act as an arranger, underwriter and/or distributor of similar instruments securities or transactions, the returns and/or payments on which or performance of which, may be at variance with or asymmetrical to those on the Debentures, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets and entering into over the counter derivatives). The foregoing activities of the Issuer Group, including the Company, or any Agents may affect the value of the Debentures. In particular, the value of the Debentures could be adversely impacted by a movement in the interest rates, or activities in related markets, by any acts or inactions of the Issuer Group, including the Company, or any Agents;
- (c) has understood that without prejudice to (a) and (b) above, (1) the method and manner of computation, returns and calculations on the Debentures shall be solely determined by and/or on behalf of the Company, whose decision shall be final and binding; (2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by and/or on behalf of the Company, and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder, and no liability thereof will attach to the Company and/or the Agents;
- (d) has understood that in the event that the Debenture Holder suffers adverse consequences or loss, the Debenture Holder shall be solely responsible for the same and the Company, the Issuer Group and/or the Agents shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (e) has reviewed the terms and conditions applicable to the Debentures as contained in the Information Memorandum and has understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the Debentures are a suitable investment and that the Debenture Holder can bear the economic risk of that investment, including the possibility of receiving lower than expected or negligible returns;
- (f) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;
- (g) holds the Debentures as an investment, and has not purchased the Debentures on a speculative basis;
- (h) as an Investor, is knowledgeable and experienced in making investments, including in debt instruments having variable or unpredictable returns and also investments similar to the Debentures;
- (i) investing in the Debentures:
 - (i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture Holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture Holders legal competency and ability (including under applicable laws and regulations), to invest in and/or hold (including as to the duration of holding) the Debentures; and



- (ii) has not relied on any advice or statements made or rendered by Issuer Group or their Agents, the Company or its Agents or any person acting on its or their behalf, with respect to the Debentures, including as to the nature of returns, the probability of any returns or any erosion in the value of the Debentures over its life, or on maturity, redemption, sale or disposal, and none of such entities or persons have made any representations to the Debenture Holder, express or implied, with respect to any of the above;
- (j) has assumed on the its own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Issuer Group or their Agents or the Company or its Agents (or to any person acting on its or their behalf) to indemnify or otherwise hold the Debenture Holder harmless in respect of any such loss and/or damage ;
- (k) understands that the actual quantum of returns on the Debentures are not guaranteed or insured in any manner by the Company;
- (l) undertakes that, if the Debenture Holder sells the Debentures to subsequent Investors, the Debenture Holder shall ensure, and it is the Debenture Holder's obligation in that regard, that (1) the subsequent Investors receive the terms and conditions, risks and representations contained in the Information Memorandum and any other related document and fully understand that the Debentures are a structured product,, (2) the sale to subsequent Investors will be effected by the Debenture Holder only on such Investors having confirmed the receipt of all of (1) above, (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated;
- (m) understands that the Issuer Group or their Agents or the Company or its Agents or any person acting on behalf of the Issuer Group or the Company, may have an interest / position as regards the issue of the Debentures and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind;
- (n) understands that at any time during the life of the Debentures the value of the Debentures may be substantially less than its redemption value.
- (o) understands that the valuation of the Debentures provided on the websites of the Issuer and /or the Valuation Agency do not represent the actual price of the Debentures that may be received upon sale or redemption and that the actual price received may be significantly different from what is reflected in the valuation;
- (p) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder, or its assets;
- (q) where the Debenture Holder is a company, it also confirms that:
 - (i) notwithstanding the variable nature of the return on the Debentures, the Debenture Holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 2013 and rules thereof from investing in the Debentures,
 - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture Holder has corporate ability and authority, to invest in the Debentures, and
 - (iii) investment in the Debentures does not contravene any provisions of the Memorandum and the Articles of Association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;
- (r) where the Debenture Holder is a **mutual fund / provident fund / superannuation fund / gratuity funds** (each a "fund") it also confirms that:
 - (i) investing in the Debentures on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed/bye-laws/regulations as currently in force,



- (ii) the investment in Debentures is being made by and on behalf of the fund and that the fund is in force and existing, and the investment has been ratified by appropriate resolutions, and
- (iii) the investment in Debentures has been duly authorized and does not contravene any provisions of the trust deed/byelaws/regulations as currently in force, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;
- (s) where the Debenture Holder is a **partnership firm**, it also confirms that:
 - (i) investing in the **Debentures** on the terms and conditions stated herein is within the scope of the partnership's investment policy and does not conflict with the provisions of the partnership deed as currently in force,
 - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally,
 - (iii) the investment in Debentures has been duly authorized by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets,
 - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner, and
 - (v) for any Hindu Undivided Family ("**HUF**") that may be partner, the Karta declares that the above equally binds each of the coparceners and beneficiaries of the HUF;
- (t) where the Debenture Holder is an **individual**, also confirms that the investment in Debentures does not contravene any provisions of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the individual or its assets and he can invest in such Debentures; and
- (u) where the Debenture holder is a **HUF**, it also confirms that:
 - (i) the karta declares that the above equity binds each of the coparceners and beneficiaries of the HUF, and
 - (ii) the karta declares that the investment is for the benefit of each of the coparceners and beneficiaries of the HUF
- (v) where the Debenture Holder or initial Applicant is a **Portfolio Manager** registered with SEBI, and is investing in the Debentures as a **Discretionary Portfolio Manager**, it also confirms that:
 - (i) it is fully in compliance with the laws and regulations applicable to it including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 ("**Portfolio Manager Regulations**"), the Structured Products Guidelines the Prevention of Money Laundering Act, 2002 ("**PML Act**"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("**PML Rules**"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the SEBI ("**AML Guidelines**") together with the PML Act and the PML Rules, the "**AML Laws & Rules**") and all applicable know-your-client norms ("**KYC Guidelines**") issued by any relevant regulator,
 - (ii) the Debenture Holder is appropriately investing in the Debentures on behalf of its clients, ("Clients") and the investment in the Debentures is within the scope of its authority including pursuant to the agreement entered into by the Debenture Holder with each of the Clients, as provided for by Regulation 14 of the Portfolio Manager Regulations) (the "**Agreement**"), and accordingly binds each of the Clients. The Debenture Holder has independently satisfied itself (a) as to the suitability and appropriateness of the investment in the Debentures as regards each of the Clients, (b) as to the capacity and authority of



each of the Clients to invest in such Debentures, and (c) that the investment in such Debentures will not contravene any applicable law,

- (iii) Should there be any dispute by the Clients as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment, it shall be dealt with entirely by the Portfolio Manager with each of the Clients, with no reference to the Issuer,
 - (iv) the Portfolio Manager has conducted suitability and appropriateness checks on each of its clients pursuant to the PM Regulations (as applicable) and the Structured Products Guidelines, and the Portfolio Manager has fully advised each of its clients of the risks relating to investment in the Debentures and of its rights against the Portfolio Manager as its principal and accepts responsibility for such advice,
 - (v) the Portfolio Manager has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients,
 - (vi) the Portfolio Manager consents to the disclosure or provision by the Issuer to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to the Issuer by the Portfolio Manager) and the investment in the Debenture, as required of the Issuer under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law,
 - (vii) the Portfolio Manager shall ensure that each Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy itself that the Debentures are suitable to the risk profile of the Client;
 - (viii) the Portfolio Manager shall provide its Clients with a copy of the information memorandum;
 - (ix) the Portfolio Manager shall guide the Clients as to where the valuations (of the Debentures) will be available;
 - (x) the Portfolio Manager shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
 - (xi) the Portfolio Manager further agrees to provide to the Issuer such additional information that the Issuer deems necessary or appropriate in order for the Issuer to comply with any such regulations and/or requests or requirements,
 - (xii) the Portfolio Manager also further agrees (including on the basis of any request made by the Issuer in this regard), to provide, to any governmental or regulatory authority any information regarding any or all of the Clients, the investment in the Debenture as required under regulations and/or as requested by any governmental or regulatory or other authority, and
 - (xiii) the Portfolio Manager further agrees that the it is appropriately investing in these Debentures on behalf of its Clients and that the activities of the Portfolio Manager have not violated and will not violate the NHB Private Placement Directions. The Portfolio Manager further confirms and undertakes that the Debenture Holder has not and will not use the name of the Issuer or any of its group entities or any of the words in any of its advertisement or any marketing material and the Portfolio Manager has not acted and shall not act in a manner that would render this Issue of Debentures, an offer to the public.
- (w) where the Debenture Holder or initial Applicant is a Portfolio Manager registered with SEBI and is investing in the Debentures as **Non Discretionary Portfolio Manager**, it also confirms that:
- (i) it is fully in compliance with the laws and regulations applicable to it including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 ("Portfolio Manager Regulations"), the Structured Products Guidelines the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money



Laundering Standards” of the SEBI (“AML Guidelines”) together with the PML Act and the PML Rules, the “AML Laws & Rules”) and all applicable know-your-client norms (“KYC Guidelines”) issued by any relevant regulator,

- (ii) the Portfolio Manager is selling the Debentures, to appropriate Clients/the investor(s) or is investing on behalf of its Clients /the investor(s) appropriately and such sale / investment in the Debentures is within the scope of its authority and accordingly binds each of the Clients/ investor(s); further, the intermediary has satisfied itself as to the capacity and authority of each of the Clients / investor(s) to invest in such Debentures;
- (iii) Should there be any dispute by the Clients / investor(s) as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment the same shall be dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;
- (iv) the Portfolio Manager has conducted a risk profiling of each Client / Investor (s) pursuant to the Structured Products Guidelines and has satisfied itself that the Debentures are suitable to the risk profile of the Client / investor; has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Debentures and ensured that the Client / investor has understood the risks involved in investment in the Debentures and is capable of taking the risks posed by the Debentures. The Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 1993 has fully advised each of its Clients / the investor(s) of the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
- (v) the Portfolio Manager has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients,
- (vi) the Portfolio Manager consents to the disclosure or provision by the Issuer to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to the Issuer by the Portfolio Manager) and the investment in the Debenture, as required of the Issuer under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law,
- (vii) the Portfolio Manager shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy itself that the Debentures are suitable to the risk profile of the Client;
- (viii) the Portfolio Manager shall provide its Clients the Information Memorandum;
- (ix) the Portfolio Manager shall guide the Clients as to where the valuations (of the Debentures) will be available;
- (x) the Portfolio Manager shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
- (xi) the Portfolio Manager also further agrees (including on the basis of any request made by the Issuer in this regard), to provide, to any governmental or regulatory authority any information regarding any or all of the Clients, the investment in the Debentures as required under regulations and/or as requested by any governmental or regulatory or other authority, and the Portfolio Manager further agrees that the it is appropriately investing in these Debentures on behalf of its Clients and that the activities of the Portfolio Manager have not violated and will not violate the NHB Private Placement Directions.. The Portfolio Manager further confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities or any of the words in any of its advertisement or any marketing material.

XXIII. Payment of Interest on Allotted Debenture(s)

Interest on the face value of the Debentures outstanding (subject to deduction of Income Tax at the prescribed rate under the Income Tax Act, 1961 or any statutory modification or re-enactment being in force) shall be due from the Date of Allotment up to the Redemption Date as provided in the Summary Term Sheet.



Interest amount will be electronically credited to the bank account of those debenture holder(s) whose names appear on the list of beneficial owners as on the Record Date, provided to the Company by the Depository.

In case of dispute of interest claim, the matter should be settled between the transferor(s) and the transferee(s), and not with the Company. All interest on the Debenture(s) shall cease on the date of re-purchase of the Debenture(s) by or on date of redemption on maturity of Debenture(s), whichever is earlier.

In case Debenture Holders do not provide their correct bank particulars for electronic credit of interest the same may either be rejected or returned and the issuer shall not be held liable for the same in any manner whatsoever.

XXIV. Book closure / Record Date

The Book closure / Record date will be 15 (fifteen) days prior to the Interest Payment / Final Maturity Date or as may be directed by SEBI from time to time. The list of Beneficial Owner(s) provided by the Depository as at end of day of Record Date shall be used to determine the name(s) of person(s) to whom the Interest and/or Principal installment is to be paid.

XXV. Redemption on Maturity of Debenture(s)

Principal shall be credited to the account of Debenture holders whose names appear in the Register of Registered Debenture Holder(s)/in the list of Beneficial Owner(s) provided to the Company by the Depository as on the Record Date.

Principal payment will be made on the Principal Repayment Date by crediting the bank account of the beneficial owner(s) whose names appear on the list of Beneficial Owner(s) as on the Record Date, as provided to the Company by the Depository. The payment shall be released only after the Debentures have been discharged by the Debenture holder by signing the Discharge Form that shall be sent to the Debenture Holders immediately after the record date and after the consequent extinguishment of the Debentures by the Company through the Depository.

The Company's liability towards the Beneficial Owner(s) for any payment or otherwise shall stand extinguished on the Maturity Date, in all events and upon the Company crediting the redemption amounts to the account of the Beneficial Owner(s). Further, the Company shall not be liable to pay any interest, income or compensation of any kind from the Maturity Date, or the date of redemption of the Debenture(s).

For this purpose bank details of Debenture Holders registered against their depository account will be used by the company for payment of interest and redemption of principal amount. The Debenture Holders shall immediately intimate the Depository participants with whom their depository accounts are maintained, about any change in their address or bank details.

Investors may also request for principal payment by way of an ECS/ RTGS transfer. In such case, the investor will have to request the Company by way of an application, in formats required. Investors must note that NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS). Therefore, Debenture Holders are requested to furnish the new bank account number allotted by banks post implementation of CBS.

In case Debenture holders do not provide their correct bank particulars for electronic credit of redemption proceeds the same may either be rejected or returned and the issuer shall not be held liable for the same in any manner whatsoever



XXVI. Future borrowings

The company will be entitled from time to time to make further borrowings from the public, members of the company and/ or any other persons or to raise loans and advances or such other facilities from Banks, Financial Institutions on the security or otherwise without approval or consent from the Debenture Holders. The company is entitled to further borrowing without any prior consent from the existing lenders/ charge holders till the standard security cover is maintained.

XXVII. Debenture Trustees

The Company has appointed IDBI TRUSTEESHIP SERVICES LIMITED as Debenture Trustee for this issue of debentures. All the rights and remedies of the Debenture Holders will vest in and will be exercised by the trustees without the same having to be referred to the Debenture Holders. The Company and Debenture Trustee have entered into a Debenture Trust Deed dated July 2, 2014 specifying inter alia the powers, authorities and obligations of the Debenture Trustee and Company. No debenture holder shall be entitled to proceed directly against the company, unless debenture trustee having become bound to do so or fail to do so. The Debenture Trustee will endeavor to protect the interest of the Debenture Holders under this Information Memorandum in the event of default in regard to timely payment of interest and principal by the Company.

XXVIII. Main events of default and remedies under the Debenture Trust Deed are as under:

- (A) Upon the occurrence of any of the events specified in Sub-Clause (B) below (each, an “**Event of Default**”), the Trustee may, in its discretion, and shall, upon request in writing of the Majority Debentures holders/Beneficial Owners declare the principal amount of the Debentures, all interest and all other monies to be due and payable forthwith and the security created hereunder shall become enforceable, and the Trustee shall have the following rights namely:-
- (a) Subject to Section 69 of the Transfer of Property Act, to sell, assign or otherwise liquidate or direct the Company to sell, assign or otherwise liquidate any or all of the Mortgaged Premises, in such manner, at such time, at such place or places and on such terms as the Trustee may, in compliance with the requirements of law, determine in its absolute discretion and to take possession of the proceeds of any such sale or liquidation;
 - (b) to take possession of the Mortgaged Premises or any part thereof, by directing the Company in writing to deliver the same to the Trustee at any place or places designated by the Trustee, in which event the Company shall, at its own expense:
 - (i) forthwith cause the same to be moved and delivered to the place or places so designated by the Trustee;
 - (ii) keep any Mortgaged Premises to be delivered to the Trustee (to the extent not physically delivered to the Trustee) at such place or places pending further action by the Trustee as provided in these presents; and
 - (iii) while such Mortgaged Premises shall be so kept, provide such guards and maintenance services as shall be necessary to protect the same;
 - (c) to retain all cash proceeds received or receivable by the Company in respect of the Mortgaged Premises and to use such funds, in whole or part, towards repayment of the Company's obligations to the Beneficial Owner(s)/ Debenture holder(s) and/or the Trustee under these presents.



- (B) The occurrence of any one of the following events shall constitute an Event of Default by the Company:
- (i) Default is committed in payment of the principal amount of the Debentures on the due date(s);
 - (ii) Default is committed in the payment of any interest on the Debentures on the due date(s);
 - (iii) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Debenture holders/Beneficial Owners/ Debenture Trustee certify that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Trustee to the Company requiring the same to be remedied;
 - (iv) Any indebtedness of the Company for borrowed monies, that is, indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptance, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity;
 - (v) Any information given by the Company to the Beneficial Owner(s)/ Debenture holder(s) or the Trustee and the warranties given or deemed to have been given by it to the Beneficial Owner(s)/Debenture holder(s) or the Trustee is misleading or incorrect in any material respect;
 - (vi) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, whether voluntarily or compulsorily, may be or have been commenced or any resolution for voluntary winding-up is passed or any petition for winding-up is admitted by a competent Court;
 - (vii) If the security have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture holders/Beneficial Owners further security should be given and on advising the Company to the effect such security has not been given to the satisfaction of the Debenture holders/Beneficial Owners;
 - (viii) If without the prior written approval of the Trustee, the security or any part thereof are sold, disposed off, charged, encumbered or alienated or any of the buildings, structures, plant and machinery forming part of this security are removed, pulled down or demolished;
 - (ix) 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;
 - (x) The Company is unable to or has admitted in writing its inability to pay its debts as and when the same are due or it is certified by an accountant appointed by the Trustee that the Company's liabilities exceed its assets;
 - (xi) The Company has taken or suffered to be taken any action for reorganisation of its capital, without the prior written consent of the Debenture Trustee;
 - (xii) An encumbrancer, receiver or liquidator takes possession of the security or any part thereof, or has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is, in the opinion of the Debenture Trustee, prejudicial to the security hereby created under the Debenture Trust Deed;
 - (xiii) If an attachment or distraint has been levied on the security or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company;
 - (xiv) If any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures;
 - (xv) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
 - (xvi) If the Company is unable to pay its debts within the meaning of section 271 of the Companies Act, 2013 and its rules thereunder or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security hereby created under the Debenture Trust Deed;



- (xvii) If in the opinion of the Trustee, the Security of the Beneficial Owner(s)/Debenture holder(s) is in jeopardy;
 - (xviii) Except for the charges created by the Company as set forth in the debenture Trust Deed; if the Company creates any mortgage, charge, lien or other encumbrance over or assigns or transfers or attempts to assign or transfer any of the Mortgaged Premises, without the prior consent in writing of the Debenture Trustee;
 - (xix) If the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing;
 - (xx) If the Company shall, without the prior consent of the Debenture Trustee in writing, make or attempt to make any alteration to its Memorandum and Articles of Association, which affects the interest of the Beneficial Owner(s)/Debenture holder(s).
- (C) 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 Trustee in writing specifying the nature of such Event of Default or of such event.
- (D) At any time after the Debentures become repayable and have not been repaid, the Debenture Trustee may at their discretion and without further notice institute such proceedings against the Company as they may think fit to enforce repayment thereof together with accrued interest and all other monies payable in respect thereof but they shall not be bound to take any such proceedings or take any actions with respect to enforcement of the Mortgaged Premises unless:-
- (a) The Debenture Trustee is so requested in writing by Majority Beneficial Owner(s)/ Debenture Holder(s);
 - (b) Sufficient monies are advanced by the Beneficial Owner(s)/Debenture Holder(s) to the Debenture Trustee for enforcement of their rights and security; and
 - (c) The Debenture Trustee is indemnified to their satisfaction by the Debenture holders/Beneficial Owner(s).
- (E) Notwithstanding the above clause, all costs, charges and expenses that may be incurred by the Debenture Trustee in connection with the creation enforcement, preservation, realisation of the Mortgaged Premises with interest thereon from the time of the same having been so incurred and that until such repayment shall be payable by the Company and be a charge upon the Mortgaged Premises hereby granted, assigned, transferred and assured or expressed so to be under the terms of the Debenture Trust Deed.
- (F) In case the Security hereby created under the Debenture Trust Deed shall become enforceable, the Company shall forthwith upon demand by the Debenture Trustee do all things necessary to enable the Debenture Trustee to realize the Mortgaged Premises.

(All capitalized terms used in this section but not defined herein shall have the meanings assigned to them respectively in the Debenture Trust Deed)

XXIX. Debentures subject to the Summary Term Sheet, Debenture Trust Deed, etc

Over and above the aforesaid terms and conditions, the Debentures, issued pursuant to this Information Memorandum, shall be subject to the Terms and Conditions incorporated in the Summary Term Sheet, relevant Debenture Trust Deed and also be subject to the provisions of the Memorandum and Articles of Association of the Company. In the event of a contradiction between the Summary Term Sheet and this Information Memorandum, the Summary Term Sheet will prevail.



XXX. Cost of the Issue

The Issuer will pay Nil commission for the Debentures under this proposed Issue.

XXXI. Governing Law and Jurisdiction

The Debentures are governed by and will be construed in accordance with the Indian Laws, as applicable in the State of Maharashtra. The Issuer irrevocably agrees for the exclusive benefit of each Debenture Holder that the competent courts and tribunals at Mumbai are to have jurisdiction to settle any disputes which may arise out of or in connection with the Debentures and that accordingly any suit, action or proceeding referred to as Proceedings) arising out of or in connection with the Debentures may be brought in such courts. The Issuer agrees that the process in connection with Proceedings in the competent courts and tribunals at Mumbai will be validly served on it if served upon it at its Registered Office.

XXXII. Confidentiality

The information and data contained herein is submitted to each recipient of this Information Memorandum on a strictly private and confidential basis. By accepting a copy of this Information Memorandum, each recipient agrees that **neither** it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Information Memorandum must not be photocopied, reproduced, extracted or distributed in full or in part to any person whatsoever without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Information Memorandum breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.



OTHER INFORMATION

(A) DECLARATION OF NHB ABOUT NON-RESPONSIBILITY FOR FINANCIAL SOUNDNESS OR CORRECTNESS OF STATEMENTS:

It must be distinctly understood, that the issuing of license and granting of approval by NHB should not in any way, be deemed or construed to be an approval by NHB, to this Information Memorandum nor should it be deemed that NHB has approved it nor does NHB take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this connection.

(B) CONSENTS:

Consents in writing from the Debenture Trustee, the Rating Agency, the Valuation Agency and the RTA to act in their respective capacities have been obtained.

Consents in writing of: Compliance Officer, Chief Financial Officer, Solicitors/Advocates, and other experts, have been obtained and such consents have not been withdrawn upto the time of filing this Information Memorandum with the BSE.

(C) DECLARATION BY THE DIRECTORS THAT:

- a. the company has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter / Information Memorandum.

(D) DECLARATION :

I, Chief Financial Officer of the Company declare that all the relevant provisions of the Companies Act, 2013, and rules thereunder the guidelines issued by the Government and the guidelines and circulars issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992 and Raising Money through Private Placement by NHBs-Debentures etc. vide NHB Notification No. NHB.HFC.NCD-DIR.1/CMD/2014 dated March 19, 2014, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder.

I am authorized by the Board of Directors of the Company vide resolution number 24 dated May 7, 2015 to sign this offer document and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

For Reliance Home Finance Limited

Amrish Shah
Chief Financial Officer

A handwritten signature in black ink, appearing to read "Amrish Shah", written over a faint circular stamp.

Date: 24th June 2015
Place: Mumbai



Annexure I

Branch Details

Sr. No.	Name of the Branch	Address
1.	Indore	301/302, Corporate House, 169, Rnt Marg, Indore-452001.
2.	Raipur	Simran Tower, 3 rd Floor, opp. LIC Building, Pandari, Raipur- Chattisgarh - 492004
3.	Kolkata	6 Th Floor, The Airconditioned Market, #1 S Sarani,Kolkatta - 71
4.	Durgapur	Nazrul Sarani, Plot No.3601(P) City Centre,Durgapur-16, West Bengal
5.	Delhi	Dev House, 2nd Floor, 260-261, Tribhuvan Complex, Ishwar Nagar, New Friends Colony, New Delhi - 110065
6.	Ludhiana	7th Floor, SCO 10-11, Feroz Gandhi Market,Ludhiana,Punjab-141001
7	Jaipur	Plot No. 9-11, 1st Floor,S.B Towers, Above Skoda Showroom. Saga Automotives, Opp. Las Vegas, Sahkar Marg, Jaipur, Rajasthan-302001
8.	Bhiwadi	A – 7, Bhagat Singh Colony, Bhiwadi, Alwar, Rajasthan- 301019
9.	Jodhpur	Sabu Tower, 2nd Floor, Chopasani Road, Jodhpur, Rajasthan- 342003
10.	Udaipur	Apex Chambers, Madhuvan, Bank Street,Near Lok Kala Mandal, Udaipur, Rajasthan - 313001.
11.	Hyderabad	Malik Estates,III Floor, 6-3-344, Banjara Hills, RoadNo:1, Hyderabad - 500 034.
12.	Vijaywada	Mohiddin Estates, 2nd Floor, Jm3, M.G.Road, Vijayawada, Andhra Pradesh - 520 010.
13.	Vizag	47/11/5, Mohans Arcade, Dwaraka Nagar, 1st Lane, Behind Sangam & Sarath Theater, Vizag, Andhra Pradesh (VSP) – 530016.
14.	Bangalore	No. 37, 3rd Floor, Lalbagh Main Road, Brahmananda Court, Bangalore Karnataka- 560 027
15.	Mysore	#2904/1, Sapthaswara, 2nd Floor, Kantharaj urs road, Saraswathipuram, Mysore – 570 009.
16.	Cochin	Bab Towers, 4th Floor, 39/6720, Atlantis, M.G.Road, Kochi, Ernakulam – 682015
17.	Thrissur	Capital City, 4th Floor,Korappath Lane, Round North, Thrissur – 680020.
18.	Chennai	Opp. Sony World Building, 2nd Floor, No 10 A, Haddows Road, Nungambakkam , Chennai -600006.
19.	Coimbatore	S3, Manchester Square,2nd Floor,14,Puliakulam Road, Coimbtore Tamil Nadu-641037
20.	Salem	7/54, Ideal Garden Complex, Junction Main Road, 5 Roads, Salem Tamil Nadu- 636004.
21.	Trichy	No.20,1st floor ,Royal Shelter Road,Cantontment, Trichy Tamil Nadu-620001
22.	Madurai	S.S.Tower, No 78/4,Byepass Road,Madurai Tamil Nadu- 625002
23.	Chandigarh	Sco 309 - 310, Sector No. 35b, Chandigarh – 160022.
24.	Pune	F1, 1st Floor,The Metropole, Bund Garden Road (Adjacent To Inox Multiplex) Pune-411001
25.	Kalyan	Chandulal Joshi Complex, 4th Floor, 406 Vasant Vihar, Nr. Vodafone Gallary, Opp Railway Booking Office., Kalyan West Maharashtra – 421301
26.	Virar	ShopNo-11Sneha Nagar Chs Opp New India Co Op Bank Ltd Bhaji Market Agashi Road,Virar West Maharashtra - 401303
27.	Kolhapur	Gemstone, Office No.7B, First Floor, New Shahupuri, Near Central Bus Stand ,Kolhapur, Maharashtra – 416 001
28.	Nagpur	Buty Building , 1st Floor, 317 R.T.Road, Civil Lines Nagpur, Maharashtra- 440001
29.	Ahmedabad	Aashil Construction, 2nd Floor, Nr, Mithakali Six Road, Opp. Hdfe Bank Bank Ltd, Navrangpura, Ahmedabad Gujarat -380 009.
30.	Surat	401, 402,409,410, 21st Century Building ,4th Floor, Ring Road , Surat, Gujarat- 395002



Sr. No.	Name of the Branch	Address
31.	Rajkot	Toral Commercial Complex, 211, 2nd Floor, Nr.Trikon Baug, Rajkot, Gujarat- 360 002
32.	Baroda	10-11, S/B, Panorama Complex, R.C.Dutt Road, Alkapuri, Vadodara, Gujarat – 390007.
33.	Karnal	First Floor, SCO-211, Sector – 12, Karnal, Haryana- 132001
34.	Bhubaneshwar	5, Janpath, Unit 3, Bhubaneshwar Orrisa – 751 003
35.	Dehradun	Shiva Palace, Office No. 8,9,10, 1st Floor, Opp. Secretariat, Rajpur Road, DehraDun - 248 001 Uttarakhand.
36.	Mumbai	The Rubby, 11 th Floor, North West Wing, plot no. 29, JK sawant Marg, Dadar West, Mumbai Maharashtra – 400 028
37.	Siliguri	Geetanjali Complex , 1st Floor,Sevoke Road. Siliguri - 734 001
38.	Guwahati	Ffort, 2nd Floor, Kachari Basti, Behind Vinayak Furnishing, G. S. Road, Ulubari. Guwahati – 781007
39.	Bhopal	Mansarover Complex, FF -16, Second Floor, Hoshangabad Road, Bhopal - 462016
40.	Nashik	Suyojit Height, office no. 2, second floor, opp.Rajiv Gandhi Bhavan, Sharanpur Road, Nashik - 422002.
41.	Jalandhar	Puda Complex, 1st Floor, SCO- 2, Ladowal Road, Jalandhar- 144001.
42.	Akola	Yamuna Tarang Complex, Unit Nos. 28,29,30,& 31, 01st Floor, Murtijapur Road, Akola – 444 004
43.	Bilaspur	T.M.Plaza, 2nd Floor, Shop No. 3,4,5 Vypar Vihar Road, Zone-1, Bilaspur - 495001

ANNEXURE II

Shareholding Pattern of the Company as on the Year ended March 31, 2015

Category Code	Category of Shareholder	Total No of Shares	Number of shares held in dematerialised Form	Total Shareholding as % of total no of equity shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
(a)	Individuals/Hindu Undivided Family	-	-	-
(b)	Central Government/State Governments	-	-	-
(c)	Bodies Corporate	6,58,20,000	6,58,19,980	100.00
(d)	Financial Institutions/Banks	-	-	-
(e)	Any Other (Specify)	-	-	-
	Sub -Total (A)(1)	6,58,20,000	6,58,19,980	100.00
(2)	Foreign			
(a)	Individuals(Non-Resident Individuals/Foreign Individuals)	-	-	-
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-
(d)	Qualified Foreign Investor	-	-	-
(e)	Any Other (Specify)	-	-	-
	Sub -Total (A)(2)	-	-	-
	Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	6,58,20,000	6,58,19,980	100.00
(B)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds /UTI	-	-	-
(b)	Financial Institutions/Banks	-	-	-
(c)	Central Government/State Governments	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Qualified Foreign Investor	-	-	-
(l)	Any Other (Specify)	-	-	-
	Sub -Total (B)(1)	-	-	-
(2)	Non-Institutions			
(a)	Bodies Corporate	-	-	-
(b)	i. Individual shareholders holding nominal share capital up to Rs.1 Lakh.	-	-	-

Category Code	Category of Shareholder	Total No of Shares	Number of shares held in dematerialised Form	Total Shareholding as % of total no of equity shares
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	-	-	-
(c)	Qualified Foreign Investor	-	-	-
(d)	Any Other (Specify)	-	-	-
1	NRIs/OCBs	-	-	-
	Sub -Total (B)(2)	-	-	-
	Total Public Shareholding B=(B)(1)+(B)(2)	-	-	-
	TOTAL (A) +(B)	6,58,20,000	6,58,19,980	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
1	Promoter and Promoter Group	-	-	-
2	Public	-	-	-
	Sub - Total (C)	-	-	-
	GRAND TOTAL (A)+(B)+(C)	6,58,20,000	6,58,19,980	100.00



ANNEXURE III

List of Top 10 holders of equity shares of the Company on the year ended March 31, 2015

Sr. No.	Name of the Shareholder(s)	Total No of Equity shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1	Reliance Capital Limited	6,58,19,980	6,58,19,980	99.99%
2	Shri Madan Chaturvedi jointly with Reliance Capital Limited.	10	Nil	--
3	Shri Kannan Chettiar jointly with Reliance Capital Limited.	2	Nil	--
4	Ms. Parul Jain jointly with Reliance Capital Limited.	2	Nil	--
5	Shri Atul Tandon jointly with Reliance Capital Limited.	2	Nil	--
6	Shri Yogesh Deshpande jointly with Reliance Capital Limited.	2	Nil	--
7	Shri Chetan Raval jointly with Reliance Capital Limited.	2	Nil	--
	Total	6,58,20,000	6,58,19,980	100.00%



Annexure IV

Details of Secured Loan Facilities as on March 31, 2015

(Rs. in Crore)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule
Syndicate Bank	Term Loan	100.00	66.67	16-Sep-15/33 16-Sep-16/34
Punjab and Sind Bank	Term Loan	75.00	37.52	18-Jun-15/9.38 18-Dec-15/9.38 18-Jun-16/9.38 18-Dec-16/9.38
Punjab and Sind Bank	Term Loan	150.00	75.00	25-Aug-15/18.75 25-Feb-16/18.75 25-Aug-16/18.75 25-Feb-17/18.75
Syndicate Bank	Term Loan	150.00	100.00	04-Mar-16/50 04-Mar-17/50
IndusInd Bank	Term Loan	100.00	20.00	29-Jun-15/20
Axis Bank	Term Loan	200.00	66.67	12-Jul-15/66.67
Punjab and Sind Bank	Term Loan	150.00	150.00	17-Aug-15/50 17-Aug-16/50 17-Aug-17/50
Andhra Bank	Term Loan	100.00	33.33	24-Aug-15/33.34
Andhra Bank	Term Loan	200.00	133.33	05-Dec-15/66.67 05-Dec-16/66.66
UCO Bank	Term Loan	100.00	66.67	05-Jan-16/33.33 05-Jan-17/33.34
State Bank of Patiala	Term Loan	100.00	83.33	28-Jun-15/ 8.34 28-Sep-15/8.34 28-Dec-15/8.34 28-Mar-16/8.34 28-Jun-16/8.34 28-Sep-16/8.34 28-Dec-16/8.34 28-Mar-17/8.34 28-Jun-17/8.34 28-Sep-17/8.34
Bank of Maharashtra	Term Loan	200.00	200.00	28-Dec-15/66.67 28-Dec-16/66.67 28-Dec-17/66.66
United Bank of India	Term Loan	250.00	250.00	30-Sep-16/83.33 30-Sep-17/83.33



Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule
				30-Sep-18/83.34
Syndicate Bank	Term Loan	150.00	100.00	24-Mar-16/50 24-Mar-17/50
Andhra Bank	Term Loan	150.00	150.00	26-Mar-16/50 26-Mar-17/50 26-Mar-18/50
Bank of Baroda	Term Loan	200.00	200.00	27-Mar-17/66.67 27-Mar-18/66.67 27-Mar-19/66.66
HDFC Bank Ltd	Term Loan	50.00	50.00	29-Sep-15/16.67 29-Sep-16/16.67 29-Sep-17/16.66
HDFC Bank Ltd	Term Loan	50.00	50.00	29-Sep-15/10 29-Sep-16/10 29-Sept-17/10 29-Sep-18/10 29-Sep-19/10
Punjab & Sind Bank	Term Loan	100.00	100.00	14-Dec-17/20 14-Dec-18/20 14-Dec-19/20 14-Dec-20/20 14-Dec-21/20
Bank of Maharashtra	Term Loan	150.00	150.00	29-Dec-17/50 29-Dec-18/50 29-Dec-19/50
Punjab & Sind Bank	Term Loan	200.00	200.00	8-Feb-18/40 8-Feb-19/40 8-Feb-20/40 8-Feb-21/40 8-Feb-22/40
Andhra Bank	Term Loan	200.00	200.00	12-Mar-17/50 12-Mar-18/50 12-Mar-19/50 12-Mar-20/50
United Bank of India	Term Loan	150.00	150.00	18-Mar-18/50



Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule
				18-Mar-19/50 18-Mar-20/50
State Bank of Hyderabad	Term Loan	100.00	100.00	19-Sep-15/10 19-Mar-16/10 19-Sep-16/10 19-Mar-17/10 19-Sep-17/10 19-Sep-18/10 19-Mar-19/10 19-Sep-19/10 19-Mar-20/10 19-Sep-20/10
Bank of Baroda	Term Loan	150.00	150.00	27-Mar-18/50 27-Mar-19/50 27-Mar-20/50
Bank of India	Term Loan	150.00	150.00	30-Mar-18/50 30-Mar-19/50 30-Mar-20/50

* The abovementioned facilities are secured by hypothecation of all Book Debts, Outstanding moneys and Receivables Claims mentioned in the respective security documents.

Description of security towards securing outstanding term loan and cash credit limit

The Present and Future book debts, receivables, etc except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them



Annexure V

Details of NCDs as on year ended March 31, 2015:

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (Rs. Cr.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
RHFL F Series B NCD 02	1095	10.15%	5.00	05-Nov-12	05-Nov-15	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	Refer note
RHFL F Series B NCD 03	1826	10.10%	20.00	26-Nov-12	26-Nov-17	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 04	3652	10.00%	1.00	11-Dec-12	11-Dec-22	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 05	1826	10.00%	15.00	03-Jan-13	03-Jan-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 06	1826	10.00%	25.00	08-Jan-13	08-Jan-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 07	1094	10.00%	15.00	06-Feb-13	05-Feb-16	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 09	1096	9.75%	5.00	04-Apr-13	04-Apr-16	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 10	729	9.75%	50.00	05-Apr-13	04-Apr-15	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	
RHFL F Series B NCD 12	4383	9.48%	1.00	27-Apr-13	27-Apr-25	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured	



Home Finance

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (Rs. Cr.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured
RHFL F Series B NCD 15	1826	9.25%	30.00	03-Jun-13	03-Jun-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 16	1826	9.09%	5.00	04-Jun-13	04-Jun-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 17	1826	9.25%	15.00	07-Jun-13	07-Jun-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 18	1826	9.25%	5.00	10-Jun-13	10-Jun-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 19	1826	9.25%	5.00	13-Jun-13	13-Jun-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 20	1826	9.25%	10.00	19-Jun-13	19-Jun-18	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 21	3652	9.35%	25.00	05-Jul-13	05-Jul-23	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 22	3652	9.35%	5.00	05-Jul-13	05-Jul-23	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 23	3652	9.52%	15.00	26-Jul-13	26-Jul-23	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 24	1085	0.00%	4.10	02-Sep-13	22-Aug-16	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (Rs. Cr.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured
RHFL F Series B NCD 25	1096	9.90%	15.00	31-Jan-14	31-Jan-17	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 27	3653	9.80%	15.00	15-May-14	15-May-24	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 28	1826	9.80%	10.00	19-Jun-14	19-Jun-19	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 29	1826	9.80%	5.00	27-Jun-14	27-Jun-19	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 30	1826	9.75%	10.00	16-Oct-14	16-Oct-19	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 31	374	9.1698 %	56.30	21-Nov-14	30-Nov-15	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 32	1827	9.05%	15.00	26-Mar-15	26-Mar-20	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL F Series B NCD 33	2555	9.15%	20.00	27-Mar-15	25-Mar-22	CARE AA+ (by CARE) & BWR AA+ (by Brickworks)	Secured
RHFL M/01	732		5.00	05-Feb-15	06-Feb-17	CARE AA+ (by CARE)	Secured

Note: Security: First pari passu charge on present and future book debts / business receivables of the Company, as mentioned in the respective Debenture Trust Deed.



Annexure VI

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2015

Tier II Debt as on March 31, 2015 as under

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (Rs. Cr.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
RHFL F Series B NCD 02	3652	10.60%	5.00	18-Sep-12	18-Sep-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 03	3652	10.40%	15.00	21-Sep-12	21-Sep-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 04	3652	10.40%	15.00	24-Sep-12	24-Sep-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 05	3652	10.40%	5.00	24-Sep-12	24-Sep-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 06	3643	10.60%	2.00	27-Sep-12	18-Sep-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 07	3652	10.40%	15.00	04-Oct-12	04-Oct-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 08	3652	10.33%	20.00	10-Oct-12	10-Oct-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 09	3652	10.33%	10.00	10-Oct-12	10-Oct-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	



Home Finance

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (Rs. Cr.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
RHFL F Series B NCD 10	3652	10.33%	10.00	18-Oct-12	18-Oct-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 11	3652	10.33%	5.00	26-Nov-12	26-Nov-22	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 12	3652	10.00%	15.00	07-Feb-13	07-Feb-23	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 13	2008	9.50%	5.00	14-May-13	12-Nov-18	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	
RHFL F Series B NCD 14	3652	9.50%	25.00	29-May-13	29-May-23	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Unsecured	



Annexure VII

List of Top 10 Debenture Holders as on March 31, 2015

Sr. No.	Name of the Debenture holder(s)	Amount (Rs. in crore)
1	General Insurance Corporation of India	95.00
2	United India Insurance Company Limited	70.00
3	Bangiya Gramin Vikash Bank	65.00
4	Incredible India Focus Fund Limited	56.30
5	Trustees Central Bank Of India Employees Pension Fund	50.00
6	Postal Life Insurance Fund A/C Sbi	30.00
7	Corporation Bank	25.00
8	The Lakshmi Vilas Bank Limited	20.00
9	Syndicate Bank	15.00
10	Edelweiss Tokio Life Insurance Company Limited-Shareholders Fund-Beyond Solvency Margin	15.00



Annexure VIII

Details of Commercial Paper

The total Face Value of Commercial Papers Outstanding as on the year ended March 31, 2015.

Maturity Date	Amount Outstanding (Rs. in crore)
24-Apr-15	50.00
30-Apr-15	50.00
12-May-15	25.00
15-May-15	50.00
22-May-15	75.00
25-May-15	100.00
29-May-15	100.00
04-Jun-15	50.00
05-Jun-15	50.00
08-Jun-15	50.00
10-Jun-15	100.00
04-Sep-15	30.00

Annexure IX

Details of Promoters of the Issuer:- Details of Promoter Holding in the Issuer as on the year end i.e. March 31, 2015

Sr. No	Name of the shareholders	Total No of Equity Shares*	No of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares pledged with respect to shares owned.
1.	Reliance Capital Limited	6,58,20,000	6,58,19,980	100.00%	--	--

*(Out of the above shares 20 equity shares are in physical form and are jointly held by Reliance Capital Limited and its nominees)



Annexure X

Abridged version of Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any

Annexure X – A

Balance Sheet as at March 31, 2015, March 31, 2014 and March 31, 2013.

		As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I	EQUITY AND LIABILITIES			
1)	Shareholders Fund	5,33,36,28,500	4,64,29,96,220	4,209,106,445
2)	Non-current liabilities	28,60,55,53,394	21,91,17,02,211	19,330,416,691
3)	Current liabilities	21,63,28,79,578	10,89,43,04,552	5,995,484,349
	Total	55,57,20,61,472	37,449,002,983	29,535,007,485
II	Assets			
1)	Non-current assets	44,46,21,82,139	27,10,96,50,635	25,923,159,702
2)	Current assets	11,10,98,79,333	10,33,93,52,348	3,611,847,783
	Total	55,57,20,61,472	37,449,002,983	29,535,007,485

ANNEXURE X- B

Statement of Profit and Loss for the year ended March 31, 2015, March 31, 2014 and March 31, 2013

(Amount in Rs.)

		2014-15	2013-14	2012-13
1	Total Revenue	5,12,60,42,091	4,297,112,548	3,618,174,608
2	Total Expenses	4,06,69,54,813	3,636,661,850	3,197,937,964
	Profit before exceptional items and tax (A-B)	1,05,90,87,278	660,450,698	420,236,644
3	Exceptional Items(net)	NIL	NIL	NIL
	Profit before tax (C-D)	1,05,90,87,278	660,450,698	420,236,644
4	Tax Expenses (net)	32,52,50,000	226,560,923	145,409,835
	Profit after tax (E-F)	69,06,32,278	433,889,775	274,826,809
	Earning per equity share face value of Rs. 10 each fully paid up (basic/diluted)	10.49	6.59	4.26

There have been no audit qualifications in the last three years.

There have been no changes in accounting policies during the last three years, so there is no effect on the profits and the reserves of the company.



Annexure X – C

Cash flow statement for the year ended March 31, 2015, March 31, 2014 and March 31, 2013

(Rs. In Crore)

Sr. No.	Particulars	As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13
1.	Cash Flow From Operating Activities	(179.27)	412.05	(1.68)
2.	Cash Flow from Investing Activities	(333.13)	(281.72)	23.41
3.	Cash Flow from Financing Activities	NIL	NIL	(0.33)
4.	Net Increase/ (Decrease) in Cash and Cash Equivalents	153.86	130.33	21.39
	Opening Balance of cash and Cash Equivalents	201.27	70.94	49.55
	Closing Balance of Cash and Cash Equivalents	355.13	201.27	70.94

Annexure XI

Abridged version of Latest Limited Review Half Yearly Financial Information (like Profit & Loss Statement, and Balance Sheet) and auditor's qualifications, if any

RELIANCE HOME FINANCE LIMITED

Registered Office: 570, Rectifier House, 3rd Floor, Naigaum Cross Road, Wadala, Mumbai

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

(Rs.in Lacs)

Particulars	Six Months Ended		Yearly Ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Unaudited	Unaudited	Audited	Audited
1. Interest Earned (a+b+c+d)	24,274	20,476	44,180	38,919
(a) Interest on Housing & Other Loans	24,090	20,153	43,791	38,241
(b) Income on investments	-	38	-	93
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-	-
(d) Others	184	285	389	585
2. Other Income	4,049	2,258	7,080	4,053
3. Total Income (1+2)	28,323	22,734	51,260	42,972
4. Interest Expended	14,944	13,612	29,785	26,864
5. Operating Expenses (i)+(ii)+(iii)+(iv)+(v)	5,603	4,945	9,993	8,535
(i) Employees cost	1,628	2,086	3,484	3,342
(ii) Marketing cost	535	680	1,178	1,201
(iii) Amortised DSA Commission	394	287	727	642
(iv) Legal and Professional fees	650	-	650	-
(v) Other operating expenses	2,396	1,892	3,954	3,350
6. Total Expenditure (4+5) excluding provisions and contingencies	20,547	18,557	39,778	35,399
7. Operating Profit before Provisions and Contingencies (3-6)	7,776	4,177	11,482	7,573
8. Provisions (other than tax) and Contingencies	812	418	891	968
9. Exceptional Items	-	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	6,964	3,759	10,591	6,605
11. Tax expense (Including Deferred Tax)	2,432	1,249	3,685	2,266
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	4,532	2,510	6,906	4,339
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	4,532	2,510	6,906	4,339
15. Paid-up equity share capital (face value of Rs.10/-)	6,582	6,582	6,582	6,582
16. Reserves excluding Revaluation Reserves			46,754	39,848
17. Analytical Ratios				
(i) Capital Adequacy Ratio	15.17%	20.40%	15.17%	20.40%
(ii) Earnings Per Share (EPS)(Not Annualised) (In Rupees)	6.89	3.81	10.49	6.59
18) NPA Ratios				
a) Gross/Net NPA				
(i) Gross NPA	5,315	5,209	5,315	5,209
(ii) Net NPA	4,106	4,030	4,106	4,030
b) % of Gross/Net NPA				
(i) % of Gross NPA/ Gross Loans & Advances	1.04%	1.66%	1.04%	1.66%
(ii) % of Net NPA/ Net Loans & Advances	0.81%	1.29%	0.81%	1.29%
c) Return on Assets [PBT/Total Assets]	1.91%	1.76%	1.91%	1.76%



Statement of Assets and Liabilities

(Rs in crore)

Sr. No.	Particulars	As at 31- March-2015	As at 31-March-2014	As at 31-March-2013
I.	EQUITY AND LIABILITIES			
	Shareholders' Funds			
1.	Share Capital	65.82	65.82	65.82
	Reserves & Surplus	467.54	398.48	355.09
	Sub-total – Shareholders' Funds	533.36	464.30	420.91
2.	Non Current Liabilities			
	Long Term Borrowings	2823.98	2169.23	1915.21
	Deferred Tax Liabilities (Net)	9.75	5.43	4.91
	Other Non-Current Liabilities	3.36	-	-
	Long Term Provisions	23.46	16.51	12.93
	Sub-total – Non Current Liabilities	2860.55	2191.17	1933.04
3.	Current Liabilities			
	Short Term Borrowings	815.52	207.63	24.42
	Trade Payables	2.32	1.47	-
	Other Current Liabilities	1341.27	875.16	573.71
	Short Term Provisions	4.36	5.17	1.42
	Sub-total – Current Liabilities	2163.47	1089.43	599.55
	Total: EQUITY AND LIABILITIES	5557.39	3744.90	2953.50
II.	ASSETS			
1.	Non Current Assets			
	a) Fixed Assets			
	i) Tangible Assets	39.40	0.06	0.07
	ii) Intangible Assets	0.05	0.02	0.18
	b) Non Current Investments	-	-	13.76
	c) Long-term Loans and Advances	4370.72	2644.09	2482.65
	d) Other Non-Current Assets	36.05	66.79	95.67
	Sub-total – Non Current Assets	4446.22	2710.96	2592.32
2	Current Assets			
	a) Current Investments	-	320	-
	b) Trade Receivables	-	-	-
	c) Cash & Cash Equivalents	355.13	201.27	70.94
	d) Short-term Loans and Advances	714.35	480.70	266.67
	e) Other Current Assets	41.35	31.97	23.58
	Sub-total – Current Assets	1111.17	1033.94	361.18
	TOTAL: ASSETS	5557.39	3744.90	2953.50


Related party transactions entered during last three financial years

List of the Related Parties and their relationship:

Name of the Party	Date	Relationship
Reliance Capital Limited	w.e.f August 14, 2008	Holding Company

 Transactions during the year ended March 31, 2015 with Related Parties are as follows: (Amount in crores)

Particulars	2014-15	2013-14	2012-13
i) With Holding Company			
Share Capital			
Balance as at the end of year (Equity & Preference other than Securities Premium) Equity Shares Issued after Conversion of Preference Shares - 0.29 Crores Bonus Issue - 3.29 Crores	65.82	65.82	65.82
Loan			
Assignment of Loan Taken	--	--	25.31
Purchase consideration paid	--	--	25.31
Assignment of Loan Given	--	--	--
Purchase consideration Received	37.46	--	--
ICD taken during the year	--	170.00	--
ICD repaid during the year	--	170.00	--
Unamortised DSA Commission transferred from		--	0.08
Expenses			
Infrastructure Cost & Other Expenditures (Net of Recovery of Other Expenditures)	40.45	10.20	3.37
Management Fees	33.71	3.19	3.19
Salary Cost	40.45	--	--
Other Expenses transferred under BTA	7.34	0.91	0.62
Interest Expense transferred under BTA	8.14	1.01	2.57
Income			
Interest & Other Income transferred under BTA	9.03	1.20	3.01
Brokerage Received	3.44		
Dividend Paid			
Dividend Paid on Preference Shares	--	--	0.29
ii)With Fellow Subsidiary			
Expense			
Employee Medclaim paid to Reliance General Insurance Company Limited	1.21	--	--
Commission paid to Reliance Money Solutions Pvt Ltd.	0.14	--	--
iii)With Key Managerial Personnel:			
Expense			
Managerial Remuneration	12.96	--	--

Credit Rating - Revalidation Letter



CARE/HO/RL/2015-16/1371
Mr. K. V. Srinivasan
 Chief Executive Officer
 Reliance Home Finance Limited
 570, Rectifier House,
 Naigaum Cross Road,
 Wadala (W), Mumbai - 400 001

June 5, 2015

Confidential

Dear Sir,

Credit rating for Principal Protected Market Linked Debentures

Please refer to our letter dated December 26, 2014 and your request for revalidation of the rating assigned to the market linked debentures issue of your company for a limit of Rs.150 crore.

2. The following rating has been reviewed:

Instrument	Rated amount (Rs. crore)	Outstanding amount as on June 5, 2015 (Rs. crore)	Rating ¹	Remarks
Principal Protected Market Linked Debenture	150	20	CARE PP-MLD AA+ (PP-MLD Double A Plus)	Reaffirmed

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
- CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CREDIT ANALYSIS & RESEARCH LTD.

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400 022.
 Tel.: +91-22-6754 3456; Fax: +91-22-6754 3457 | Email: care@careratings.com | www.careratings.com

6. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.
7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

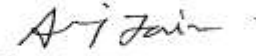
Thanking you,



[Jay Parekh]
Analyst

jay.parekh@careratings.com

Yours faithfully,



[Anuj Jain]
AGM

anuj.jain@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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RELIANCE

Home Finance

Credit Rating Letter



CARE/HO/RL/2014-15/1728
Mr. K. V. Srinivasan
 Chief Executive Officer
Reliance Home Finance Limited
 570, Rectifier House,
 Naigaum Cross Road,
 Wadala (W), Mumbai - 400 001

December 26, 2014

Confidential

Dear Sir,

Credit rating for proposed Principal Protected Market Linked Debentures (PP-MLD) issue

Please refer to your request for rating of proposed Principal Protected Market Linked Debentures issue aggregating to Rs.150 crore of your company.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. Cr.)	Rating ¹	Remarks
Principal Protected Market Linked Debentures	150	CARE PP-MLD AA+ (PP- MLD Double A Plus)	Assigned

3. CARE's rating of Market Linked Debentures is an assessment of the underlying credit risk of the instrument. The rating addresses only the credit risk associated with timely payment of obligations as per terms of the issuance. The rating does not address the market risks associated with the instrument on account of linking of the coupon payment to external variables such as reference equity index, equity shares, commodity prices/index. This could result in variability or absence of coupon payments because of adverse movement in value of the external variables.

4. The rationale for the rating will be communicated to you separately.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Page 1 of 3

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5. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is December 23, 2014)
6. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
7. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the PP-MLD have been placed.
8. Kindly arrange to submit to us a copy of each of the documents pertaining to the issue, including the offer document and the trust deed.
9. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
12. CARE ratings are **not** recommendations to buy, sell or hold any securities.

Page 2 of 3

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If you need any clarification, you are welcome to approach us in this regard.

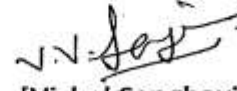
Thanking you,

Yours faithfully,



[Pankaj Naik]
Manager

pankaj.naik@careratings.com



[Vishal Sanghavi]
Senior Manager

vishal.sanghavi@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Revalidation Letter from the Debenture Trustee

Annexure 2

IDBI Trusteeship Services Ltd.

Ref: 181/ITSL/OPR/2015-16

10th April, 2015.

Reliance Home Finance Limited

C/o Reliance Capital Limited
570, Rectifier House, 3rd Floor,
Naigaum Cross Road, Wadala,
Mumbai – 400 031



Regd. Office :
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate
Mumbai - 400 001

Kind Attn: Mr. K Suresh Babu/ Mr. Rahul Parikh

Ref.: (1) Our letter Ref: 766/ITSL/OPR/CL/14-15/DEB/135 dated June 24, 2014

(2) Our letter Ref: 4416/ITSL/OPR/2014-15.

Dear Sirs,

Revalidation of consent to act as Debenture Trustee for the Secured Non-Convertible Debentures (NCD) aggregating to Rs. 650 Crores

This is with reference to our discussion we had regarding revalidation of consent issued vide above referred letter number, we hereby revalidate our consent to act as a debenture trustee for the proposed NCD issue.

Please note that other terms & conditions of the original consent letter shall remain unchanged. This consent is valid for a period of 3 months from the date of issue of this letter and in the event of the issue not being placed or in the event of any increase in the size of the issue or any structural change, a fresh letter of revalidation from the Trustees will be necessary.

Yours faithfully,

For IDBI Trusteeship Services Limited

Authorised Signatory

we accept the above terms

Reliance Home Finance Limited

Authorised Signatory



Debenture Trustees Consent Letter

IDBI Trusteeship Services Ltd.



Regd. Office :
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.

19th January, 2015

Ref: 4574/ITSL/OPR/2014-15

Reliance Home Finance Limited

C/o Reliance Capital Limited
570, Rectifier House, 3rd Floor,
Naigaum Cross Road, Wadala,
Mumbai – 400 031.

Kind Attn: Mr. K Suresh Babu/ Mr. Rahul Parikh

Ref.: Our letter Ref: 766/ITSL/OPR/CL/14-15/DEB/135 dated 1st April, 2014

Dear Sirs,

With reference to your Consent Letter dated 1st April, 2014 to act as Debenture Trustee for the secured Non-Convertible Debentures (NCD) aggregating to Rs.650 Crores we hereby revalidate the consent already issued to act as a debenture trustee for the proposed NCD issue.

Please note that the other terms & conditions of the original consent letter shall remain unchanged. In addition to the Non-Convertible Debentures, this consent shall include issue of Market Linked Debentures as well. This consent is valid for a period of 3 months from the date of issue of this letter and in the event of the issue not being placed or in the event of any increase in the size of the issue or any structural change, a fresh letter of revalidation from the Trustees will be necessary.

Yours faithfully,

For IDBI Trusteeship Services Limited

Authorized Signatory

we accept the above terms

Reliance Home Finance Limited

Authorized Signatory

Tel. : 022-4080 7000 • Fax : 022-6631 1776 / 4080 7080 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com • CIN - U65991MH2001GOI131154



Annexure 3

Shareholders Resolution dated March 24, 2015

Reliance Home Finance Ltd.
570, Rectifier House,
Naigaum Cross Road,
Wadala, Mumbai - 400031

Tel: +91 22 3047 9400 / 401
Fax: +91 22 3047 9450
Call: 1800 200 3838 (toll free)
www.reliancehomefinance.com
customercare@reliancehomefinance.com
A Reliance Capital Company

Certified true copy of the resolution along with Statement passed at the Extra ordinary General Meeting of the Members of Reliance Home Finance Limited held on March 24, 2015.

Private Placement of Secured / Unsecured Redeemable Non Convertible Debentures.

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Rules made thereunder, as may be amended from time to time, and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Notification, 2012 and 2014 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinate Debentures, bond, and/or other debt securities, etc., on a private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT Shri Soumen Ghosh and Shri K. V. Srinivasan, Directors, Ms. Roopa Joshi, - Chief Financial Officer, Shri Sandip Parikh and Shri Amrish Shah - Authorised Persons of the Company be and are hereby severally authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard, and to do all such acts, deeds, matters and things as also execute such documents, writings, etc. as may be necessary to give effect to the aforesaid resolution and delegate all or any of the powers herein conferred by above resolution to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person."

Statement pursuant to Section 102 of the Companies Act, 2013.

Item No. 3

As per the provisions of Section 42 of the Companies Act, 2013 (the "Act") and its rules thereunder, a Company offering or making an invitation to subscribe to Redeemable Secured/ Unsecured Non-convertible Debentures (NCD's) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and an invitation for such NCD's to be made during the year.

Registered Office:
570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031.



CIN : U67190MH2008PLC183216




RELIANCE

NCD's including subordinated debentures, bonds, etc., issued on a private placement basis forms part of the borrowings for the Company.

It is proposed to offer or invite subscriptions for NCD's including subordinated debentures, bonds, and/or other debt securities, etc., on private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCD's, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act and its rules thereunder as set out in Item No. 3 appended to this notice.

for **Reliance Home Finance Limited**


K. V. Srinivasan
Director
March 24, 2015





Shareholders Resolution dated May 8, 2014

Reliance Home Finance Ltd.
570, Rectifier House,
Naigaum Cross Road,
Wadala, Mumbai - 400031

Tel: +91 22 3047 9400 / 401
Fax: +91 22 3047 9450
Call: 1800 200 3838 (toll free)
www.reliancehomefinance.com
customercare@reliancehomefinance.com

A Reliance Capital Company

Certified true copy of the resolution passed at the Extra Ordinary General Meeting of the Members of Reliance Home Finance Limited held on May 8, 2014.

Approve the increase in Borrowing limits of the Company

"RESOLVED THAT in supersession of the ordinary resolution passed by the members on February 20, 2009, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised, in accordance with section 180(1)(c) of the Companies Act, 2013 and its rules there under (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money, from time to time, at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) by a sum not exceeding Rs. 5,000 crore and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment security or otherwise as they may think fit."

Statement in pursuant to section 102 of Companies Act, 2013

Item Nos. 2 and 3

The Board of Directors of a Company shall not, except with the consent of the Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from Company's bankers in ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules there under.

The members by way of an Ordinary Resolution at the Annual General Meeting held on February 20, 2009 had, *inter alia*, authorised the Board to borrow upto Rs.4,000 Crore (Rupees Four Thousand Crore).

The borrowings of the Company are in general required to be secured by suitable mortgage / charge on all or any of the properties of the Company, in such form, manner, and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

In view of its expanding operation, the borrowing limit is proposed to be enhanced to the extent of sum(s) so borrowed, under this resolution and remaining outstanding at any time, shall not exceed in the aggregate of Rs. 5,000 Crore (Rupees Five Thousand Crore).



Registered Office:
570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031.

CIN : U67190MH2008PLC183216

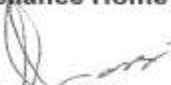
RELIANCE

The provisions of the Companies and its rules there under, require the Company to seek approval of the Members by way of Special resolution, to borrow money from time to time for its business activities, through issue of debentures, bank borrowings, etc. and to secure such borrowings by mortgage / charge on any of the movable / immovable properties and / or immovable properties and / or whole or any part of the undertaking(s) of the Company.

The Board of Directors accordingly recommends the resolutions set out at Item Nos. 2 and 3 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

For Reliance Home Finance Limited


K. V. Srinivasan
Director





Annexure 4

Board Resolution dated March 17, 2015

RELIANCE

Reliance Home Finance Ltd.
570, Rectifier House,
Naigaum Cross Road,
Wadala, Mumbai - 400031

Tel: +91 22 3047 9400 / 401
Fax: +91 22 3047 9450
Call: 1800 200 3838 (toll free)
www.reliancehomefinance.com
customercare@reliancehomefinance.com

A Reliance Capital Company

Certified true copy of the resolution passed at the Meeting of Board of Directors of Reliance Home Finance Limited held on March 17, 2015.

"RESOLVED THAT in terms of Clause 9 of Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, the approval of the Board be and is hereby granted for issue of Placement Document / Information Memorandum / Shelf Disclosure Document for private placement of Secured / Unsecured Non Convertible Debentures within the overall borrowing powers of the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board do note that the Non Convertible Debentures issued / to be issued by the Company is to raise resources to augment the Tier II Capital of the Company and to meet the ongoing funding requirements for the Company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company.

RESOLVED FURTHER THAT Shri Soumen Ghosh and Shri K. V. Srinivasan, Directors, Ms. Roopa Joshi, Chief Financial Officer, Shri Sandip Parikh and Shri Amrish Shah - Authorised Persons of the Company be and are hereby severally authorised to do all such acts and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution and to sign and execute any deeds / documents / agreements / papers / writings, as may be required in this regard under the Common Seal of the Company or otherwise."

For Reliance Home Finance Limited


K. V. Srinivasan
Director



Registered Office:
570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031.

CIN : U67190MH2008PLC183216



Board Resolution dated May 7, 2015

RELIANCE

Reliance Home Finance Ltd.
570, Rectifier House,
Naigaum Cross Road,
Wadala, Mumbai - 400031

Tel: +91 22 3047 9400 / 401
Fax: +91 22 3047 9450
Call: 1800 200 3838 (toll free)
www.reliancehomefinance.com
customercare@reliancehomefinance.com

A Reliance Capital Company

Certified true copy of the resolution passed at the meeting of the Board of Directors of Reliance Home Finance Limited held on May 7, 2015.

"RESOLVED THAT in supersession of the earlier resolutions passed by the Board of Directors in this regard, pursuant to the approval of the shareholders at the extra-ordinary meeting held on May 8, 2014 and as per the provisions of Section 179(3)(d) of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, and in accordance with the provisions of the Articles of Association of the Company and the Borrowing Policy of the Company, the Company be and is hereby authorised to borrow any sum or sums of money from time to time, in any form including by way of term loans or advances or overdraft from any Financial, Banking, Investment Institution and/or body corporate and/or from any other entity, with or without security, issue of various money market instruments viz., commercial papers etc., issue of secured or unsecured redeemable debentures including the market linked debentures, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) by a sum not exceeding Rs. 5000 crores.

RESOLVED FURTHER THAT Shri Soumen Ghosh and Shri K. V. Srinivasan, Directors of the Company be and are hereby severally authorised to borrow funds on behalf of the Company in the manner and to the extent mentioned above and to take necessary actions as may be required in this connection..

RESOLVED FURTHER THAT Shri Soumen Ghosh and Shri K. V. Srinivasan, Directors of the Company be and are hereby severally authorised to give authority to the Executives / Officers / Authorised persons of the Company to negotiate, finalise and accept the terms and conditions including period of such borrowings, rate of interest, security to be provided for the borrowings / credit facility and to accept any modifications therein from time to time and to sign and execute on behalf of the company to avail of such borrowings including by way of term loans, advances, overdraft and / or any other loan facility.

RESOLVED FURTHER THAT Shri Soumen Ghosh and Shri K. V. Srinivasan, Directors of the Company be and are hereby severally authorised to withdraw such powers and to authorise additional persons, if found necessary, from time to time.

RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed on such documents, be affixed in accordance with the Articles of Association of the Company."

For Reliance Home Finance Limited


Soumen Ghosh

Director



Registered Office:
570, Rectifier House, Naigaum Cross Road, Wadala, Mumbai 400 031.

CIN : U67190MH2008PLC183216



Annexure 5

The Standalone Financial Statement for the year ended March 31, 2014, March 31, 2013 and March 31, 2012.

Reliance Home Finance Limited

Directors' Report

To The Members,

Your Directors have pleasure in presenting the 6th Annual Report, together with the audited Statement of Accounts of the Company for the financial year ended March 31, 2014.

Financial Results:

A snapshot of the financial performance of the Company for the Financial Year ended March 31, 2014 is as under:

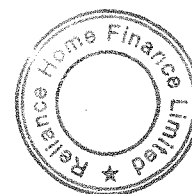
Particulars	(Rupees in Crore)	
	Amount FY 2013-14	Amount FY 2012-13
Gross Income	429.71	361.14
Gross Profit / (Loss)	66.22	42.18
Less: Depreciation	0.18	0.16
Profit before tax	66.04	42.02
Provision for Taxation	22.66	14.54
Net Profit	43.39	27.48
Less: Cumulative Preference Dividend	0.00	0.29
Dividend Distribution Tax	0.00	0.04
Add: Profit / (Loss) brought forward from the previous year	79.82	58.16
Profit available for Appropriation	123.21	85.31
Transfer to Special Reserve Fund	8.68	5.49
Balance carried forward	114.53	79.82

Financial Performance and Review of Business:

The Company's gross income for the financial year ended March 31, 2014 increased to Rs. 429.71 Crore from Rs. 361.82 Crore in the previous year, recording a growth of 18.76 per cent. The gross profit amounted to Rs.66.04 Crore registering an increase of 57.16% against the previous year. Depreciation increased minutely to Rs. 0.18 Crore. The provision for taxation during the year was Rs.22.66 Crore. The net profit for the year was Rs.43.39 Crore. During the year, company did not declare any dividend. An amount of Rs. 8.68 Crore was transferred to the Special Reserve Fund pursuant to section 29-C of the National Housing Bank Act, 1987, during the year under review.

Resources and Liquidity:

We understand that liquidity in balance sheet has to balance between earning adequate returns and the need to cover financial and business risks. During the year under review, the Company has raised Rs.750 Crore as Term Loans from various Banks. It has repaid Rs. 531.26 Crore worth of Term Loans from the balance outstanding as at the beginning of the year. The company redeemed commercial papers of Rs. 310.00 Crore and issued commercial papers worth Rs. 495 Crore during the current year. The company has also issued Secured Non Convertible Debentures of Rs.216.80 Crore and Unsecured Non Convertible Debentures of Rs.30.00 Crore during the current financial year which has been listed on Wholesale Debt Segment (WDM) of Bombay Stock Exchange (BSE) Limited.



Reliance Home Finance Limited

Directors' Report

Deposits:

The Company is registered with National Housing Bank as a Housing Finance Institution not accepting public deposits and hence, has not accepted any public deposits during the year.

Directors:

Shri Soumen Ghosh, Director of the Company, who retires by rotation as per the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Audit Committee:

As per the requirements of section 292A of the Companies Act, 1956, the Company has an Audit Committee comprising of the following Directors:

Shri Soumen Ghosh
Shri Gautam B Doshi
Shri Padmanabh P. Vora

During the Financial Year 2013-14, the Audit Committee of the Board met 4 times, once in every quarter.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that: -

- (i) in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of the profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

Auditors and Auditors' Report:

M/s Chaturvedi & Shah, Chartered Accountants, hold office as Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letters from M/s Chaturvedi & Shah, Chartered Accountants to the effect that they are not disqualified for such appointment within the meaning of section 141 (3) (g) of the Companies Act, 2013.



Reliance Home Finance Limited

Directors' Report

The notes to the accounts referred to in the Auditors' Report are self explanatory.

Particulars of Employees:

The provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees), 2011, the names and other particulars of employees are set out in the Annexure to the Directors' Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:


- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (2) Foreign Exchange earnings and outgo - During the year under review, company has not made any foreign exchange payment.

Acknowledgements:

Your Directors take this opportunity to thank the National Housing Bank, National Securities Depository Limited (NSDL), Bombay Stock Exchange (BSE) and other regulatory authorities, Company's Bankers and Financial Institutions, shareholders for their continued support and assistance during the period under review.

The Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

For and on behalf of the Board of Directors


K.V. Srinivasan
Director
April 30, 2014


Soumen Ghosh
Director



Registered Office:
570, Rectifier House,
3rd Floor, Naigaum Cross Road,
Wadala, Mumbai - 400 031

Independent Auditor's Report

To,
The Members,
Reliance Home Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Home Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

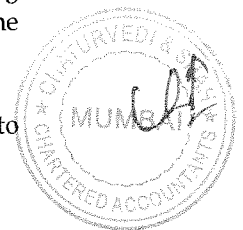
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditor's Report (Continued)
Reliance Home Finance Limited

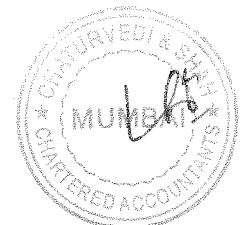
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

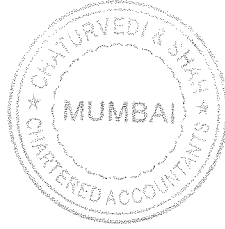


Independent Auditor's Report (Continued)
Reliance Home Finance Limited

- e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya

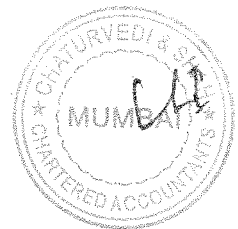


Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Dated : April 30, 2014

Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)
(Referred to in our report of even date)

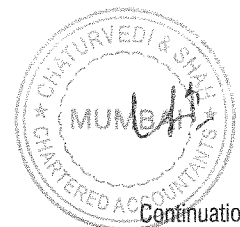
- (i) The nature of the Company's business/ activities during the year have been such that, clause (ii), (viii) & (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) In respect of its fixed assets: -
- a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
- b. The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. In our opinion, and according to the information and explanations given to us, the Company has not disposed off any fixed assets during the year.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
- a) According to the information and explanations given to us, during the year the Company has not granted any loan secured/unsecured to party covered in the register maintained under section 301 of the Act. But the Company had given secured housing loan in the past to a party, prior to his appointment as director, whose maximum outstanding balance was Rs.55,00,000 and the year end balance is Rs. Nil. There has been no disbursement post appointment.
- b) In our opinion, the rate of interest and other terms and conditions on which loan has been granted to the above mentioned party are not, prima facie, prejudicial to the interest of the Company.
- c) According to the information and explanations given to us, the said loan given in the past is partially disbursed and pre-closed during the year. Till closure of the loan interest payment thereon was regular as per their repayment schedule.
- d) There is no overdue amount of more than rupees one lakh in respect of the above loans.



Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the year the Company did not undertake any activities of purchase of inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to information and explanations given to us, there are no transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangement does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public hence directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable.
- (vii) In our opinion, the Company has an internal audit system, commensurate with its size and nature of its business.
- (viii) In respect of statutory dues:
- a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Investor Education Protection Fund, Income-tax, Sales-tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, except in case of Professional Tax, in which case there are few delays in payment of the said due. According to the information and explanations given to us, there are no undisputed amounts payable outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.



Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) The Company neither has accumulated losses nor it has incurred any cash losses during the current financial year and in the immediate preceding financial year.
- (x) Based on our audit procedures and the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the Company has maintained the adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties. The Company has not granted loans and advances by way of pledge of shares and debentures during the year.
- (xii) The Company has maintained proper records of transactions and contract in respect of trading in units of mutual fund and other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xiii) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xiv) According to the information and explanations given to us, the term loans availed by the Company, were prima facie applied by the Company during the year for the purpose for which loans were obtained other than Rs. 3,200,000,000 which as at balance sheet date were temporary deployed in units of mutual funds, pending utilization and was subsequently utilized for the purpose for which loan has been taken.
- (xv) According to information and explanations given to us and on the basis of review of the maturity pattern of Assets and Liabilities and management's estimate of expected preclosure of the loans given in next one year, liabilities maturing in next one year are not in excess of the assets of similar maturity.
- (xvi) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.



Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- (xvii) The Company has created securities in respect of secured debentures issued during the year.
- (xviii) The Company has not raised any money by way of public issue during the year.
- (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W



Vijay Napawaliya

Vijay Napawaliya
Partner

Membership No: 109859

Mumbai
Dated : April 30, 2014

RELIANCE HOME FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	(Rupees)	
		As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES :			
1 Shareholders' Funds			
(a) Share Capital	3	658,200,000	658,200,000
(b) Reserves and Surplus	4	3,984,796,220	3,550,906,445
2 Non-current liabilities			
(a) Long-term borrowings	5	21,692,285,975	19,152,091,797
(b) Deferred tax liabilities (Net)	6	54,295,000	49,050,000
(c) Long-term provisions	7	165,121,236	129,274,894
3 Current liabilities			
(a) Short-term borrowings	8	2,076,311,896	244,167,068
(b) Trade payables	9	14,679,108	-
(c) Other current liabilities	10	8,751,594,238	5,737,132,629
(d) Short-term provisions	11	51,719,310	14,184,652
TOTAL		37,449,002,983	29,535,007,485
II. ASSETS :			
1 Non-current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		645,781	655,742
(ii) Intangible Assets		214,107	1,796,036
(b) Non Current Investments	13	-	137,571,973
(c) Long-term loans and advances	14	26,440,863,789	24,826,464,117
(d) Other non-current assets	15	667,926,958	956,671,834
2 Current assets			
(a) Current Investments	16	3,200,000,000	-
(b) Cash & Cash Equivalents	17	2,012,718,074	709,416,080
(c) Short-term loans and advances	18	4,806,973,451	2,666,678,128
(d) Other current assets	19	319,660,823	235,753,575
TOTAL		37,449,002,983	29,535,007,485

See accompanying notes to the financial statements '1-40

As per our report of even date


For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Partner
Membership .No. 109859


Mumbai
Date: April 30, 2014


For and on behalf of the Board



Gautam Doshi
(Director)

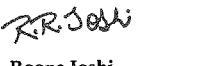

Padmanabh Vora
(Director)


Soumen Ghosh
(Director)


K.V. Srinivasan
(Director)


K. Suresh Kumar
(Manager)


Neena Parelkar
(Company Secretary)


Roopa Joshi
(Chief Financial Officer)

Mumbai
Date: April 30, 2014



RELIANCE HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rupees)

Particulars	Note No.	2013-14	2012-13
REVENUE			
(I) Revenue from operation	20	4,228,242,272	3,555,944,078
(II) Other Income	21	68,870,276	62,230,530
(III) TOTAL REVENUE (I+II)		<u>4,297,112,548</u>	<u>3,618,174,608</u>
EXPENSES			
Employee Benefits expense	22	334,160,606	275,027,350
Finance Cost	23	2,769,773,348	2,542,230,746
Depreciation and Amortisation	12	1,877,598	1,631,387
Other expenses	24	530,850,298	379,048,481
(IV) TOTAL EXPENSES		<u>3,636,661,850</u>	<u>3,197,937,964</u>
(V) PROFIT BEFORE TAX (III-IV)		660,450,698	420,236,644
(VI) TAX EXPENSE :			
Current Tax		226,900,000	130,700,000
Income tax for Earlier Year		(5,584,077)	3,659,835
Deferred Tax		5,245,000	11,050,000
(VII) PROFIT AFTER TAX (V-VI)		<u>433,889,775</u>	<u>274,826,809</u>
(VIII) EARNING PER EQUITY SHARE	34		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted		6.59	4.26

See accompanying notes to the financial statements '1-40

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Vijay Napawaliya
Partner
Membership .No. 109859

Mumbai
Date: April 30, 2014



For and on behalf of the Board

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Gautam Doshi
(Director)

Padmanabh Vora
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(Director)

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K. Suresh Kumar
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Neena Parelkar
Neena Parelkar
(Company Secretary)

R.R. Joshi
Roopa Joshi
(Chief Financial Officer)

Mumbai
Date: April 30, 2014



RELIANCE HOME FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rupees)

Particulars	2013-2014	2012-2013
A. Cash Flow from Operating Activities		
Net Profit Before Tax	660,450,698	420,236,644
Adjusted for		
Depreciation and Amortisation	1,877,598	1,631,387
Provision for Standard Debts	57,220,793	38,812,334
Provision for NPA & Doubtful debts	39,545,798	19,835,670
Bad Debts Written Off	42,121,408	14,845,202
(Profit)/Loss on Sale of Investments	(53,530,458)	(50,928,676)
Discount on Commercial Papers	66,627,510	17,081,953
Amortised DSA Commission	64,165,396	69,584,053
Amortised Brokerage Commission	11,106,741	6,576,203
Interest Expenses & Processing Charges	2,686,456,180	2,518,572,590
Credit Balance / Excess Provision Written Back	(8,777,010)	(6,744,901)
Operating Profit/(Loss) before Working Capital Changes	3,567,264,654	3,049,502,459
Adjusted for		
Proceeds/(Repayments) from issue of Commercial Papers (Net)	1,764,781,150	(216,040,300)
Repayments of Long term Borrowing	(5,312,400,000)	(2,125,000,000)
Proceeds from Long term Borrowing	9,976,730,023	5,040,000,000
Proceeds/(Repayments) from Short Term Borrowing (Net)	736,168	-
Trade Receivable & Loans and advances	(3,878,512,679)	(3,982,264,726)
Trade Payables and Liabilities	593,958,124	708,210,053
Cash Generated from Operation	6,712,557,440	2,474,407,486
Interest & Processing Charges Paid	(2,540,200,813)	(2,443,073,809)
Taxes Paid (Net off Income Tax Refund)	(51,881,356)	(48,162,850)
Net Cash from/ (used in) Operating Activities	4,120,475,271	(16,829,173)
B. Cash Flow from Investing Activities		
Investments in Fixed Deposits	192,010,000	(66,813,600)
Purchase of Fixed Asset	(285,708)	(50,000)
Purchase of Current Investments (Net)	(3,146,469,542)	-
Sale of Long Term Investments	137,571,973	300,928,676
Net Cash from/ (used in) Investing Activities	(2,817,173,277)	234,065,076
C. Cash Flow from Financing Activities		
Dividend Paid	-	(3,319,315)
Net Cash from/ (used in) Financing Activities	-	(3,319,315)
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	1,303,301,994	213,916,588
Opening Balance of Cash and Cash Equivalents	709,416,080	495,499,492
Closing Balance of Cash and Cash Equivalents	2,012,718,074	709,416,080

Note :

1. The Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Partner
Membership .No. 109859

Mumbai
Date: April 30, 2014

For and on behalf of the Board

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Roopa Joshi
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Mumbai
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Padmanabh Vora
(Director)

K. Suresh Kumar
(Manager)

Soumen Ghosh
(Director)

Neena Parelkar
(Company Secretary)



1 Background

The Company is registered with National Housing Bank as Housing Finance Company without accepting public deposit. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as notified by the Companies (Accounting standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c Revenue Recognition

i) Interest Income

Repayment of Housing Loan is by way of Equated Monthly Installments (EMI) comprising of principal and interest where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest Income on performing assets is recognized on accrual basis and on non-performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/secured loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization on a monthly basis.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on fixed assets other than computer software is provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan origination / acquisition cost

All direct cost incurred for the loan origination is amortised over the tenure of the loan.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

h Investments

Investments are classified into current investments and long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

i Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

j Provision for Standard Assets, Non Performing Assets(NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

k Employee Benefits**i) Provident fund**

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

l Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

m Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

n Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

o Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

p Securitised Assets

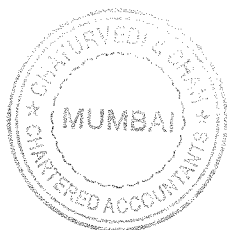
Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

q Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital**(Rupees)**

	As at March 31, 2014	As at March 31, 2013
a) Authorised:		
75,000,000 Equity Shares of Rs. 10 each (March 31, 2013: 75,000,000 Equity Shares of Rs. 10 each)	750,000,000	750,000,000
50,000,000 Preference Shares of Rs. 10 each (March 31, 2013: 50,000,000 Preference Shares of Rs. 10 each)	500,000,000	500,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
b) Issued, subscribed & Fully paid up		
65,820,000 Equity Shares of Rs. 10 each (March 31, 2013: 65,820,000 Equity Shares of Rs. 10 each)	658,200,000	658,200,000
	<u>658,200,000</u>	<u>658,200,000</u>
c) Par Value per Share	Amount in Rs.	Amount in Rs.
Equity	10	10



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

d) Reconciliation of issued, subscribed and fully paid up Share Capital	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares				
Opening Balance	65,820,000	658,200,000	30,000,000	300,000,000
Addition during the year				
Issued upon conversion of Preference shares	-	-	2,910,000	29,100,000
Bonus Shares issued	-	-	32,910,000	329,100,000
Reduction during the year	-	-	-	-
Closing Balance	65,820,000	658,200,000	65,820,000	658,200,000
0% optionally convertible / Redeemable Preference Shares				
Opening Balance	-	-	2,910,000	29,100,000
Add : Converted from Compulsory convertible	-	-	-	-
Add : Issued during the year	-	-	-	-
Less : Converted in to equity Shares	-	-	2,910,000	29,100,000
Closing Balance	-	-	-	-

e) Rights, Preferences and Restrictions :

1 Voting Rights :

In case of equity Shares

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

In case of Preference Shares :

Preference Share holders have a right to vote only on resolutions which directly affect the rights attached to Preference Shares.

2 Dividends :

The Company has amended its Articles of Association effective from April 1, 2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividend on any of its Share Capital.

f) Terms for Conversion & Repayment of Preference Share Capital

In case of 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each :

(i) Each of the Preference Shares shall be converted into Equity Share of the Company in such fraction or number(s) and in such manner as may be decided by the Board of directors at their sole discretion, in one or more tranches, at any time on or before the expiry of 6 (Six) years from the date of issue of the Preference Shares by giving a notice of 1(one) month in writing to the preference shareholders and upon such conversion shall rank pari-passu in all respects with the existing equity shares of the Company.

(ii) At the time, conversion of each of the Preference Shares into equity Share of the Company is proposed by the Board, an option would be given to the preference shareholder to redeem the preference share at a Premium to be decided by the Board and intimated to the preference shareholder by giving a notice of 1(one) month in writing.

(iii) As on July 28, 2012 the Company has taken approval from its existing preference share holders and accordingly as on September 10, 2012 converted its existing 29,10,000, 0% optionally convertible / Redeemable preference Shares into equivalent number of equity shares of the Company in the ratio of 1:1. Out of the above preference shares 910,000 preference shares were issued on March 30, 2009, 17,50,000 preference shares were issued on March 25, 2010 and balance 2,50,000 preference shares were issued on June 29, 2011 by the Company.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

g) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

Equity Shares	%	As at March 31, 2014		As at March 31, 2013	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Reliance Capital Limited	100%	65,819,980	658,199,800	65,819,960	658,199,600
Reliance Capital Ltd. and its nominees	0%	20	200	40	400
Total	100%	65,820,000	658,200,000	65,820,000	658,200,000

- h) Out of the above equity shares 32,910,000 equity shares (Previous Year 32,910,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity share holders in the financial year 2012-13.

4. Reserves and Surplus

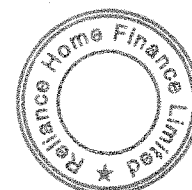
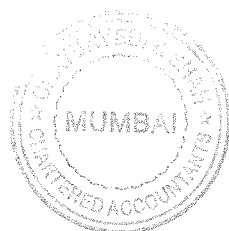
(Rupees)

	As at March 31, 2014		As at March 31, 2013	
	a) Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987) Special Reserve Fund #			
Opening Balance as per Last Balance sheet	200,893,055		145,927,693	
Add: Transfer from Surplus in Statement of Profit & Loss	86,777,955		54,965,362	
Less : Appropriation during the year	-		-	
# (in terms of Section 36(1)(viii) of the income-tax Act, 1961)		287,671,010		200,893,055
b) Securities Premium Account				
As Per Last Balance Sheet	2,551,800,000		2,880,900,000	
Less: Utilised for issue of Bonus Shares	-		329,100,000	
		2,551,800,000		2,551,800,000
c) Surplus in Statement of Profit & Loss				
As Per Last Balance Sheet	798,213,390		581,671,258	
Add: Transfer from Statement of Profit & Loss	433,889,775		274,826,809	
Less : Transfer to Special Reserve	86,777,955		54,965,362	
Less : Preference Dividend	-		2,856,000	
Less : Dividend Distribution Tax	-		463,315	
		1,145,325,210		798,213,390
		<u>3,984,796,220</u>		<u>3,550,906,445</u>

5. Long-term borrowings

(Rupees)

	As at March 31, 2014		As at March 31, 2013	
	Non convertible Debentures			
Secured (Refer Note 25)		2,889,161,644		860,000,000
Unsecured		1,480,000,000		1,180,000,000
Term Loans from Banks				
Secured (Refer Note 26)		17,323,124,331		17,112,091,797
		<u>21,692,285,975</u>		<u>19,152,091,797</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

6. Deferred Tax Liabilities		(Rupees)	
Particulars	As at March 31, 2014	As at March 31, 2013	
Deferred tax Liability disclosed in the Balance Sheet comprises the following :			
a) Deferred Tax Liability			
Related to Fixed Assets	20,772	545,091	
Unamortised Expenditure	86,218,403	70,976,972	
Special Reserve Fund	76,197,910	52,689,413	
Total	<u>162,437,085</u>	<u>124,211,476</u>	
b) Deferred Tax Asset			
Disallowance under the Income Tax Act, 1961	(794,528)	(1,346,845)	
Provision for NPA/ diminution in the value of Assets	(107,347,557)	(73,814,631)	
Total	<u>(108,142,085)</u>	<u>(75,161,476)</u>	
Net Deferred Tax Liabilities/(Asset) (a) - (b)	<u>54,295,000</u>	<u>49,050,000</u>	

7. Long Term Provisions		(Rupees)	
Particulars	As at March 31, 2014	As at March 31, 2013	
a) Provision for Employees Benefits (Refer Note 31)			
Leave Encashment	2,268,781	2,765,643	
b) Provision for Standard Assets	162,852,455	126,509,251	
	<u>165,121,236</u>	<u>129,274,894</u>	

8. Short-term borrowings		(Rupees)	
Particulars	As at March 31, 2014	As at March 31, 2013	
a) From Banks			
Cash Credit facilities - Secured (Refer Note 1 below)	736,168	-	
b) From Others			
Commercial Papers - Unsecured	2,075,575,728	244,167,068	
	<u>2,076,311,896</u>	<u>244,167,068</u>	

Notes :

1 Cash credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 1,100,000,000 (Previous year Rs.550,000,000).

2 In respect of Commercial Papers referred above, maximum amount outstanding during the year was Rs.2,850,000,000 (Previous year Rs.450,000,000).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

9. Trade Payables	(Rupees)	
	As at March 31, 2014	As at March 31, 2013
Due to Micro, Medium & Small	-	-
Due to Others	14,679,108	-
	<u>14,679,108</u>	<u>-</u>

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of Medium, Micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

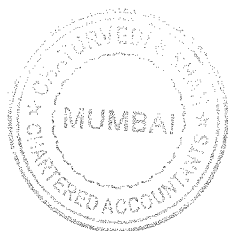
10. Other Current Liabilities	(Rupees)	
	As at March 31, 2014	As at March 31, 2013
a) Current maturities of long term debts - Secured (Refer Note 25 & 26)		
(i) Non convertible Debentures	149,335,845	-
(ii) Term Loans from Banks	6,287,200,000	4,312,400,000
b) Interest accrued and not due on borrowings	221,754,148	75,498,781
c) Advance from Customers	66,659,710	49,623,183
d) Payable under Securitisation / Assignment (Net)	227,352,181	128,165,535
e) Temporary Book Overdraft (Refer Note 1 below)	1,718,739,613	1,022,783,837
f) Other Payables (Refer Note 2 below)	80,552,741	148,661,293
	<u>8,751,594,238</u>	<u>5,737,132,629</u>

Notes:

1 Temporary Book Overdraft of Rs. 1,718,739,613 (Previous Year Rs. 1,022,783,837) represents cheques issued towards disbursements to borrowers for Rs. 1,661,319,195 (Previous Year Rs.1,015,482,764) and cheques issued for payment of expenses of Rs. 57,420,418 (Previous Year Rs.7,301,073), but not encashed as at March 31, 2014.

2 Other Payables includes TDS, statutory payments and other liabilities.

11. Short Term Provisions	(Rupees)	
	As at March 31, 2014	As at March 31, 2013
a) Provision for Employees Benefits (Refer Note 31)		
Leave Encashment	68,754	61,123
Gratuity	-	274,199
b) Provision for Standard Assets	34,726,918	13,849,330
c) Income tax provision [Net off Taxes Paid Rs. 469,276,362 (Previous Year Rs. Nil)]	16,923,638	-
	<u>51,719,310</u>	<u>14,184,652</u>



RELIANCE HOME FINANCE LIMITED

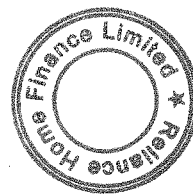
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note "12"
Fixed Assets

Sr. No.		Gross Block			Depreciation		Net Block		
		As at April,1 2013	Addition	Deletion	As at March 31, 2014	As at April,1 2013	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
(i)	Tangible Assets								
1	Office Equipments	18,300	226,000	-	244,300	7,585	235,075	9,225	10,715
2	Office Buildings	665,200	-	-	665,200	54,584	85,115	580,085	610,616
3	Data Processing Machineries	50,000	59,708	-	109,708	15,589	53,237	56,471	34,411
	Total	733,500	285,708	-	1,019,208	77,758	373,427	645,781	655,742
	Previous Year	683,500	50,000	-	733,500	28,300	77,758	655,742	
(ii)	Intangible Assets								
	Computer Software	7,909,647	-	-	7,909,647	6,113,611	7,695,540	214,107	1,796,036
	Total	7,909,647	-	-	7,909,647	6,113,611	7,695,540	214,107	1,796,036
	Previous Year	7,909,647	-	-	7,909,647	4,531,682	6,113,611	1,796,036	

Note :

- 1 In respect of Intangible Assets :
 - a) It is other than internally generated.
 - b) Balance useful life of 1 month (Previous year 1 Year).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13. Non Current investments

(Rupees)

	Face Value /Issue Price	Quantity		Value	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Other investments - Unquoted, fully paid-up					
Pass Through Certificates					
Serfes A2 PTCs of ILSS 4 Trust 2011	10,582,460	-	13	-	137,571,973
				-	137,571,973

Notes :

1 The aggregate value of investments:

	As at March 31, 2014		As at March 31, 2013	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	-	-	137,571,973	-
TOTAL	-	-	137,571,973	-

2 The aggregate Provision for diminution in the value of investments:

	As at	As at
	March 31, 2014	March 31, 2013
Quoted	-	-
Unquoted	-	-
TOTAL	-	-

3 Basis of Valuation

As at	As at
March 31, 2014	March 31, 2013
at cost	at cost

14. Long Term Loans and Advances

(Rupees)

	As at		As at	
	March 31, 2014		March 31, 2013	
a) Security Deposits (Unsecured)		600,042		500,000
b) Loans (Secured)				
(i) Considered Good				
Housing loans :				
Individuals	14,204,362,933		15,043,541,937	
Others	5,512,333,166		5,057,004,164	
Director of the Company (Refer Note 1 below)	-		5,500,000	
Officer of the Company	-		10,363,309	
		19,716,696,099		20,116,409,410
Commercial loans		6,316,348,511		4,435,141,945
(ii) Considered Doubtful				
Housing loans :				
Individuals	414,042,138		317,617,492	
Others	10,456,195		10,590,929	
	424,498,333		328,208,421	
Less: Provision for NPA & Doubtful Debts	99,338,687		78,970,583	
		325,159,646		249,237,838
Commercial loans	71,896,901		462,204	
Less: Provision for NPA & Doubtful Debts	11,372,432		184,881	
		60,524,469		277,323
c) Installments Due (Secured) Considered doubtful				
Principal Overdue	24,475,869		12,791,116	
Less: Provision for NPA & Doubtful Debts	7,119,790		8,187,545	
		17,356,079		4,603,571
d) Balance with Service Tax Authorities		4,178,943		-
e) Taxes paid [Net off Income Tax Provision Rs. Nil (Previous Year Rs. 43,41,00,000)]		-		20,294,030
		<u>26,440,863,789</u>		<u>24,826,464,117</u>

Note:

1 Loan to director was disbursed prior to appointment as a director and no further disbursements have been made post appointment as director. This loan is Pre-closed in the current financial year.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15. Other Non Current Assets		(Rupees)	
		As at March 31, 2014	As at March 31, 2013
a)	Receivable from Trustee under Securitisation (Secured)	31,368,179	160,776,928
b)	Fixed Deposits with banks (Maturity > 12 Months) (kept as credit enhancement towards Securitisation/direct Assignment)	409,850,496	601,860,496
c)	Unamortised Expenditure		
(i)	Unamortised DSA Commission	161,278,150	157,480,336
	Add: Incurred during the Year	87,657,944	73,381,867
	Less: Amortised during the year	64,165,396	69,584,053
		<u>184,770,698</u>	<u>161,278,150</u>
	Less: to be amortised over the next one year (Refer Note 20 (b))	<u>15,344,538</u>	<u>16,219,848</u>
		169,426,160	145,058,302
(ii)	Unamortised Brokerage on Borrowing	57,482,744	7,118,789
	Add: Incurred during the Year	2 25 11 442	5 69 40 158
	Less: Amortised during the year	11,106,741	6,576,203
		<u>68,887,445</u>	<u>57,482,744</u>
	Less: to be amortised over the next one year (Refer Note 20 (b))	<u>11,605,322</u>	<u>8,506,636</u>
		57,282,123	48,976,108
		<u>667,926,958</u>	<u>956,671,834</u>

16. Current investments		(Rupees)			
		Quantity		Value	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Other investments - Unquoted, fully paid-up					
Units of Mutual Funds					
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan	1 000	3 84 164	-	120 00 00 000	-
Peerless Liquid Fund - Direct Plan Growth	10	14 22 72 808	-	200 00 00 000	-
				<u>320 00 00 000</u>	<u>-</u>

Notes :

1 The aggregate value of investments:

	As at March 31, 2014		As at March 31, 2013	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	320 00 00 000	320 38 16 796	-	-
TOTAL	<u>320 00 00 000</u>	<u>320 38 16 796</u>	<u>-</u>	<u>-</u>

2 The aggregate Provision for diminution in the value of investments:

	As at March 31, 2014	As at March 31, 2013
Quoted	-	-
Unquoted	-	-
TOTAL	<u>-</u>	<u>-</u>

3 Basis of Valuation

As at March 31, 2014	As at March 31, 2013
at cost	at cost

4 The market value mentioned above is based on the NAV provided by the respective mutual funds



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

17. Cash & Cash equivalents		(Rupees)	
	As at March 31, 2014	As at March 31, 2013	
Balance with Banks in Current Accounts	2,012,621,152	709,404,580	
Cash on hand	96,922	11,500	
	<u>2,012,718,074</u>	<u>709,416,080</u>	
18. Short-term loans and advances		(Rupees)	
	As at March 31, 2014	As at March 31, 2013	
a) Loans repayments within next 12 months (Secured)			
Considered Good			
Housing loans :			
Individuals	472,219,745	513,178,573	
Others	3,666,716,352	1,457,684,876	
Officer of the Company	-	263,234	
	<u>413,89,36,097</u>	<u>1,97,11,26,683</u>	
Commercial loans	494,404,045	597,696,947	
b) Installments Due (Secured) Considered good	165,962,638	90,584,903	
c) Prepaid expenses (Unsecured)	4,391,165	5,131,099	
d) Sundry Advances (Unsecured)	3,279,506	2,138,496	
	<u>4,806,973,451</u>	<u>2,666,678,128</u>	
19. Other Current Assets		(Rupees)	
	As at March 31, 2014	As at March 31, 2013	
a) Interest Accrued on			
Investments	-	643,407	
Fixed Deposits	5,591,115	8,198,732	
Loans and advances	287,119,848	202,184,952	
	<u>292,710,963</u>	<u>211,027,091</u>	
b) Unamortised Expenditure			
Unamortised DSA Commission	15,344,538	16,219,848	
Unamortised Brokerage on Borrowing	11,605,322	8,506,636	
	<u>26,949,860</u>	<u>24,726,484</u>	
	<u>319,660,823</u>	<u>235,753,575</u>	
20. Revenue from operation		(Rupees)	
	2013-14	2012-13	
a) Interest income			
Interest on:			
Housing and Other Loans	3,824,081,369	3,267,828,680	
Fixed Deposit	58,460,007	51,527,711	
Long term investments	9,314,009	13,936,254	
	<u>3,891,855,385</u>	<u>3,333,292,645</u>	
b) Other Financial income			
Processing Fee income	226,360,956	203,081,638	
Foreclosure & Other Operating Charges	100,847,584	19,327,226	
Brokerage Commission on property solution	49,280,017	27,085,741	
	<u>376,488,557</u>	<u>249,494,605</u>	
Less : Service Tax Recovered	40,101,670	26,843,172	
	<u>336,386,887</u>	<u>222,651,433</u>	
	<u>4,228,242,272</u>	<u>3,555,944,078</u>	
21. Other Income		(Rupees)	
	2013-14	2012-13	
a) Profit on Sale of Current Investments (Net)	53,530,458	50,928,676	
b) Interest on income tax refund	6,010,383	-	
c) Miscellaneous income	546,453	832,216	
d) Bad Debts Recovered	5,972	3,724,737	
e) Credit Balance / Excess Provision Written Back	8,777,010	6,744,901	
	<u>68,870,276</u>	<u>62,230,530</u>	

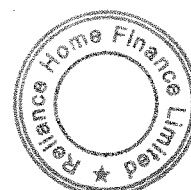
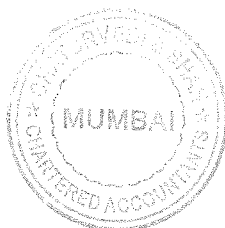


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

22. Employee Benefits Expense	(Rupees)	
	2013-14	2012-13
Payments to and Provision for Employees		
- Salary & Bonus etc # (Refer Note "33 (b)")	318,084,457	257,613,583
- Contribution to Provident fund and other Funds	9,784,589	12,040,740
- Staff Welfare & other amenities	6,291,560	5,373,027
	<u>334,160,606</u>	<u>275,027,350</u>
23. Finance Cost	(Rupees)	
	2013-14	2012-13
a) Interest Expense		
Term Loan From Banks	2,243,917,035	2,438,203,199
Cash credit from Banks	30,897,888	1,415,403
Non Convertible Debentures	398,711,025	75,922,343
Body Corporates	<u>12,919,726</u>	<u>2,590,331</u>
	2,686,445,674	2,518,131,276
b) Other Borrowing Cost		
Amortised Brokerage (Refer Note"15 (c)(ii)")	11,106,741	6,576,203
Discount on Commercial Paper	66,627,510	17,081,953
Processing Charges	<u>10,507</u>	<u>441,314</u>
	77,744,758	24,099,470
c) Interest on Income Tax	5,582,916	-
	<u>2,769,773,348</u>	<u>2,542,230,746</u>
24. Administration & Other Charges	(Rupees)	
	2013-14	2012-13
Auditor's Remuneration (Refer Note 30)	800,000	800,000
Bank Charges	2,295,732	1,722,780
Credit Cost	13,389,914	11,537,141
Collection Cost	2,227,017	918,701
Directors' Sitting Fees	339,776	334,832
Amortised DSA Commission (Refer Note"15 (c)(i)")	64,165,396	69,584,053
Infrastructure Cost #	38,224,800	33,708,000
Legal & Professional Fees	60,577,833	37,200,468
Marketing Expenses	120,078,458	65,726,527
Management Expenses	31,854,000	31,854,000
Miscellaneous Expenses	19,351,267	15,263,240
Postage, Telegram & Telephone	1,306,061	1,398,930
Printing and Stationary	2,481,345	1,510,539
Rates and Taxes	3,602,712	2,540,635
Repairs & Maintenance-Others	9,420,905	11,850,869
Travel & Conveyance	21,847,083	19,604,560
Bad Debts Written Off	42,121,408	14,845,202
Provision for Standard Asset	57,220,793	38,812,334
Provision for NPA & Doubtful Debts	39,545,798	19,835,670
	<u>530,850,298</u>	<u>379,048,481</u>

Note:

- # According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company. (Refer Note "33(b)")



25. Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

a Secured Non convertible Debentures referred above are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothecation on the present and future book debts/ receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinancing available/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

b Maturity profile of Non convertible Debentures are as set out below;

Rate of interest	2014-15	2015-16	2016-17	2017-18	2018-19	2022-23	2023-24	2025-26	Total
#	99,335,845	-	32,029,843	-	70,131,801	-	-	-	201,497,489
9.09%	-	-	-	-	50,000,000	-	-	-	50,000,000
9.25%	-	-	-	-	550,000,000	-	100,000,000	-	650,000,000
9.35%	-	-	-	-	-	-	300,000,000	-	300,000,000
9.48%	-	-	-	-	-	-	-	10,000,000	10,000,000
9.50%	-	-	-	-	50,000,000	-	250,000,000	-	300,000,000
9.52%	-	-	-	-	-	-	150,000,000	-	150,000,000
9.70%	-	-	-	-	100,000,000	-	-	-	100,000,000
9.75%	-	500,000,000	50,000,000	-	-	-	-	-	550,000,000
9.90%	-	-	150,000,000	-	-	-	17,000,000	-	167,000,000
10.00%	50,000,000	150,000,000	-	400,000,000	-	160,000,000	-	-	760,000,000
10.10%	-	-	-	200,000,000	-	-	-	-	200,000,000
10.15%	-	-	-	-	-	-	-	-	50,000,000
10.33%	-	50,000,000	-	-	-	450,000,000	-	-	450,000,000
10.40%	-	-	-	-	-	500,000,000	-	-	500,000,000
10.60%	-	-	-	-	-	80,000,000	-	-	80,000,000
Total	149,335,845	700,000,000	232,029,843	600,000,000	820,131,801	1,190,000,000	817,000,000	10,000,000	4,518,497,489

Zero Coupon Deep Discount Non- Convertible Debentures

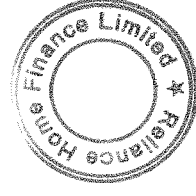
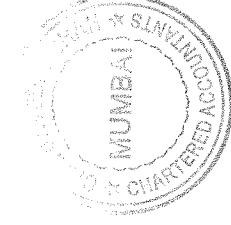
26. Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks referred in Note "5" and current maturity of long term debts (Refer Note "10 (a)(ii) includes :

- a Term loan Rs. 18,586,085,053 (Previous year Rs. 16,949,393,533) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinancing to be availed, if any, from them, against security not exceeding Rs. 20,569,887,703 (Previous year Rs. 18,797,220,163).
- b Term loan Rs. 1,500,000,000 (Previous year Rs. 1,000,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinancing to be availed, if any, from them, against security not exceeding Rs. 1,665,000,000 (Previous year Rs. 1,100,000,000).
- c Term loan Rs. 2,124,573,410 (Previous year Rs. 1,875,098,264) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,353,676,016 (Previous year Rs. 2,062,608,090).
- d Term loan Rs. 1,399,665,868 (Previous year Rs. 1,600,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 1,679,599,042 (Previous year Rs. 1,920,000,000).

e Maturity profile of Secured Term Loans from banks are as set out below:

Year	(Amount in Rs)
	Principal Repayment
2014-15	6,287,200,000
2015-16	6,094,124,331
2016-17	6,396,000,000
2017-18	3,333,600,000
2018-19	1,499,400,000
Grand Total	23,610,324,331



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

27. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Ltd. As per the amended BTA with RCL:
- a) The RCL holds loan assets of Rs. 84,167,495 (Previous year Rs. 105,591,590) of the Company in the capacity of trust as on March 31, 2014.
- b) During the year the Company has taken the following assets, income and expenses from the RCL :
- i) Unamortized DSA Commission of Rs. Nil (Previous year Rs. 7,50,750)
- ii) Interest & other income of Rs. 11,980,612 (Previous year Rs. 30,091,932)
- iii) Interest & other expenses of Rs. 19,176,242 (Previous year Rs. 31,811,133)
- iv) DSA commission expense of Rs. Nil (Previous year Rs. Nil)
28. a) During the year the Company sold loans through securitisation and direct assignment.

The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	399 (526)	1300 (228)	1699 (754)
Total book value of loan assets Securitized / Assigned	Rs.	500,819,503 (655,035,243)	4,427,728,574 (1,149,001,569)	4,928,548,077 (1,804,036,812)
Sale consideration received for the Securitized / Assigned assets	Rs.	500,819,503 (655,035,243)	4,427,728,574 (1,149,001,569)	4,928,548,077 (1,804,036,812)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	119,403,600 (321,413,600)	280,446,896 (280,446,896)	399,850,496 (601,860,496)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	30,502,045 (43,091,677)	196,850,136 (85,073,858)	227,352,181 (128,165,535)

Note : Figures in bracket represent previous year's figures.

- a) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As on 31 st March 2014 (No. / Amount in Rs.)	As on 31 st March 2013 (No. / Amount in Rs.)
1	No of SPVs sponsored by the Company for Securitisation Transactions	2	2
2	As on March 31, 2014, total amount of securitised assets as per books of the SPVs sponsored by the Company	897,200,165	1,102,522,347
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	119,403,600	66,813,600
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Sr. No.	Particulars	As on 31 st March 2014 (No. / Amount in Rs.)	As on 31 st March 2013 (No. / Amount in Rs.)
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	254,600,000
	• Others	-	137,571,973
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

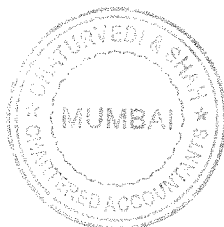
(ii) Direct Assignments :

Sr. No.	Particulars	As on 31 st March 2014 (No. / Amount in Rs.)	As on 31 st March 2013 (No. / Amount in Rs.)
1	No of Direct Assignments	11	8
2	Total amount of assigned assets as per books of the Assignor	6,467,924,452	4,729,683,533
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	453,887,521	114,900,157
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	280,446,896	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-

29. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

30. Auditors' Remuneration :

Particulars	(In Rupees)	
	2013-14	2012-13
i) Audit Fees	600,000	600,000
ii) Tax Audit Fees	200,000	200,000
Total	800,000	800,000



31. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:
(In Rupees)

Particulars	2013-14	2012-13
i) Employer's Contribution to Provident Fund and LWF	7,254,930	7,057,489
ii) Employer's Contribution to Pension Scheme	1,592,765	1,592,991
Total	8,847,695	8,650,480

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2013-14	2012-13
I. Assumptions :		
Discount Rate	9.41 %	8.00 %
Rate of Return on Plan Assets	9.41 %	8.00 %
Salary Escalation	5.00 %	5.00 %
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	7,202,203	4,402,671
Interest Cost	576,176	374,227
Current Service Cost	1,737,228	1,409,327
Benefit Paid	(1,372,674)	(926,448)
Actuarial (gain)/loss on obligations	(993,857)	1,942,426
Liability at the end of the Year	7,149,076	7,202,203
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	6,928,004	4,415,140
Expected Return on Plan Assets	554,240	375,287
Contributions	1,268,026	3,103,593
Benefit Paid	(1,372,674)	(926,448)
Actuarial gain/(loss) on Plan Assets	(171,587)	(39,568)
Fair Value of Plan Assets at the end of the Year	7,206,009	6,928,004
Total Actuarial Gain/(Loss) To Be Recognised	822,270	1,981,994
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	554,240	375,287
Actuarial gain/(loss) on Plan Assets	(171,587)	(39,568)
Actual Return on Plan Assets	382,653	335,719
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	7,206,009	6,928,004
Fair Value of Plan Assets at the end of the Year	(7,149,076)	(7,202,203)
Difference	56,933	(274,199)
Amount Recognised in the Balance Sheet	56,933	(274,199)
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,737,228	1,409,327
Interest Cost	576,176	374,227
Expected Return on Plan Assets	(554,240)	(375,287)
Actuarial (Gain)/Loss	(822,270)	1,981,994



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	2013-14	2012-13
Expense Recognised in Statement of Profit & Loss	936,894	3,390,261
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	274,199	(12,469)
Expense as above	936,894	3,390,261
Employers Contribution	(1,268,026)	(3,103,593)
Amount Recognised in Balance Sheet	(56,933)	274,199
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	-
Experience adjustment on Plan Assets	(171,587)	(39,568)
Experience adjustment on Plan Liabilities	(207,165)	1,134,484

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2013-2014	2012-2013
I. Assumptions :		
Discount Rate	8.00%	8.00%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,826,766	2,397,227
Interest Cost	203,361	1,76,280
Current Service Cost	734,915	724,124
Benefit Paid	(569,506)	(646,801)
Actuarial (gain)/loss on obligations	(858,001)	175,886
PVO at the end of the Year	2,337,535	2,826,766
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	569,506	646,801
Benefit Paid	(569,506)	(646,801)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	569,506	646,801
Benefit Paid	(569,506)	(646,801)
Fair Value of plan Assets at end of year	-	-
Funded Status	(2,337,535)	(2,826,766)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	858,001	(175,886)
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	2013-2014	2012-2013
Total Gain/(Loss) for the year	858,001	(175,886)
Actuarial gain/(Loss) recognized for the year	858,001	(175,886)
Unrecognised Actuarial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	734,915	724,124
Interest Cost	203,361	176,280
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	(858,001)	175,886
Expense Recognised in Statement of Profit & Loss	80,275	1,076,290
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	2,337,535	2,826,766
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(2,337,535)	(2,826,766)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,337,535)	(2,826,766)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	28,26,766	23,97,227
Expenses as above	80,275	1,076,290
Contribution paid	(569,506)	(646,801)
Closing Net Liability	2,337,535	2,826,766
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,337,535	2,826,766
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,337,535)	(2,826,766)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	(858,001)	175,886

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

32. **Segment Reporting:**

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

33. **Related Party Disclosures:**

a) List of the Related Parties and their relationship:

Name of the Party	Relationship
Reliance Innoventures Private Limited	Ultimate Holding Company
Reliance Capital Limited	Holding company
Reliance General Insurance Company Limited	Fellow Subsidiary
Reliance Capital Asset Management Limited	Fellow Subsidiary
Reliance Financial Limited	Fellow Subsidiary
Shri K. Suresh Kumar	Key Managerial Personnel (Manager)



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

b) Transactions during the year with related parties

Particulars	(In Rupees)	
	2013-2014	2012-2013
i) With Holding Company:		
Share Capital		
Preference Share Capital issued during the year (Including Securities Premium)	-	-
Conversion of Preference shares into equity shares during the year	-	29,100,000
Bonus shares issued during the year	-	329,100,000
Balance as at the end of year (Equity & Preference other than Securities Premium)	658,200,000	658,200,000
Loans		
Assignment of Loan Taken	-	253,055,124
Purchase consideration paid	-	253,055,124
Assignment of Loan Given	-	-
Purchase Consideration received	-	-
ICD Taken during the year	1,700,000,000	
ICD Repaid during the year	1,700,000,000	
Unamortised DSA Commission transferred from	-	750,750
Expenses		
Infrastructure Cost	38,224,800	33,708,000
Salary Cost	53,090,000	-
Interest on ICD	11,854,795	-
Management Fees	31,854,000	31,854,000
Other Expenses transferred under BTA	9,057,897	6,158,723
Interest Expense transferred under BTA	10,118,345	25,652,410
Income		
Interest & Other Income transferred under BTA	11,980,612	30,091,932
Brokerage Received	2,591,716	-
Dividend Paid		
Dividend on Preference Shares	-	2,856,000
ii) With Fellow Subsidiary:		
Expenses		
Employee Medclaim Paid to Reliance General Insurance Company Limited	14,36,375	-
Brokerage Paid to Reliance Financial Limited	353,934	-
Income		
Brokerage Received from Reliance Capital Asset Management Limited	43,259	-
iii) With Key Managerial Personnel :		
Loans outstanding as at March 31	-	10,626,543
Loans Repayments during the year	10,626,543	225,369
Interest Accrued on Loans and advances	-	42,506
Income		
Interest Income during the year	140,549	981,463
Expenses		
Managerial Remuneration	7,459,412	5,768,119

Note:

The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

34. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

		(In Rupees)	
Particular		2013-14	2012-13
a)	Amount used as the numerators		
	Net Profit/(Loss) available for Equity shareholder	433,889,775	274,826,809
b)	Weighted average number of equity shares (nos.)	65,820,000	64,528,438
c)	Basic & Diluted Earnings Per Share (Rs.)	6.59	4.26

35. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

- a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 is as follows:

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2014	Provision as at March 31, 2014	Outstanding Balance as at March 31, 2014	Provision as at March 31, 2014
Standard Asset	23,530,055,380 (22,177,506,629)	124,545,288 (93,743,631)	7,302,292,010 (5,033,453,258)	72,961,950 (46,614,950)
Sub-Standard Assets	218,775,898 (87,245,123)	32,820,935 (13,453,085)	69,840,417 (-)	10,476,063 (2,573,625)
Doubtful Assets	226,424,214 (253,738,118)	73,004,493 (69,620,986)	5,830,574 (478,500)	1,529,419 (1,695,313)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

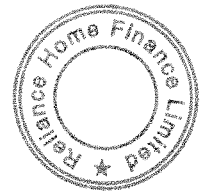
Note:

- i) Provision for substandard assets lying in housing finance as well as Non Housing Finance loans & advances includes Rs.NIL (previous year Rs. 2,939,941/-) related to loans & advances, which were transferred under securitisation / assignment deals.
- ii) Figures in bracket represent previous year's figures.
- b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :
- i) During the year there is no penalty imposed by National Housing Bank.
- ii) The Company has received the inspection report under section 34 of the National Housing Bank Act, 1987 from National Housing Bank (NHB) with reference to position as on March 31, 2013, vide its letter no. NHB (ND)/DRS/SUP/2599/2014 dated February 24, 2014 in which NHB has drawn certain contraventions to the provisions and Directions/Guidelines issued by the NHB under the NHB Act, 1987 from time to time and also other deficiencies in the functioning of the Company. The Company will place the replies before the board meeting and the same will be sent to NHB.

36. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2014	As at March 31, 2013
CRAR (%)	20.40%	17.55%
CRAR - Tier I capital (%)	14.56%	12.92%
CRAR - Tier II capital (%)	5.84%	4.63%



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(II) Exposure to real estate sector, both direct and indirect:

		(In Rupees)		
a)	Direct Exposure		As at	As at
			March 31, 2014	March 31, 2013
(i)	Residential Mortgage			
	Individual Housing Loan up to 15 lakhs		2,101,336,178	1,436,511,750
	Individual Housing Loan More than 15 lakhs		13,961,589,593	14,302,769,902
(ii)	Commercial Real Estate		8,724,915,950	659,706,537
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
	(a)	Residential	-	5,669,137
	(b)	Commercial	-	131,902,836
b)	Indirect Exposure Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		-	-

Notes:

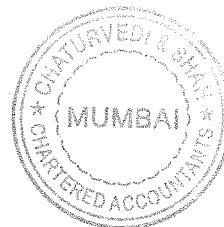
- (i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.
- (ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

Year	Liabilities		Assets	
	As at		As at	
	March 31, 2014		March 31, 2014	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	736,168 (-)	647,574,602 (148,859,436)	518,230,174 (253,325,816)	3,200,000,000 (-)
Over 1 month to 2 months	- (-)	1,087,346,802 (-)	566,276,236 (258,309,701)	- (-)
Over 2 month to 3 months	606,200,000 (606,200,000)	489,990,170 (-)	533,268,270 (261,601,904)	- (-)
Over 3 month to 6 months	2,333,300,000 (1,750,000,000)	- (-)	1,299,301,834 (740,173,542)	- (-)
Over 6 month to 1 Year	3,347,700,000 (1,956,200,000)	- (95,307,632)	1,882,226,267 (1,145,997,569)	- (-)
Over 1 year to 3 Year	12,490,124,331 (11,882,491,797)	932,029,842 (250,000,000)	3,449,339,439 (2,464,949,920)	- (54,877,575)
Over 3 year to 5 Year	4,833,000,000 (5,229,600,000)	1,420,131,801 (600,000,000)	2,731,002,045 (2,067,781,162)	- (82,694,399)
Over 5 Year to 7 years	- (-)	- (-)	2,937,035,364 (2,475,498,597)	- (-)
Over 7 Year to 10 years	- (-)	2,007,000,000 (1,190,000,000)	4,136,626,904 (3,961,083,142)	- (-)
Over 10 years	- (-)	10,000,000 (-)	13,182,081,051 (13,836,357,267)	- (-)
Total	23,611,060,499 (21,424,491,797)	6,594,073,217 (2,284,167,068)	31,235,387,584 (27,465,078,619)	3,200,000,000 (137,571,974)

Notes:

- i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- ii) 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 for housing finance companies issued by NHB, 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. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Revised Schedule VI to the Companies Act, 1956.
- iii) Figures in bracket represent previous year's figures.



RELiance HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

37. Disclosure of loans/advances and investments in its subsidiaries, associates etc. in terms of the Listing Agreement of Debt Securities with the Stock Exchanges. (As certified by the management)

Particulars	Outstanding Balances		Maximum Balance Outstanding	
	As at March 31, 2014	As at March 31, 2013	2013-14	2012-13
i) Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years	-	-	-	-
b) No interest or interest below section 372A of the Companies Act, 1956	Not Applicable pursuant to provision of Section 372A(8)(a)(i) of the Companies Act, 1956			
iv) Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
v) Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.				

38. Contingent Liabilities/Commitments: (As certified by the management)

		(In Rupees)	
Particulars	As at March 31, 2014	As at March 31, 2013	
Contingent Liabilities :			
a. Case against the Company not acknowledge as Debts	5,006,339	94,861	
Commitments :			
a. Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	-	
b. Undisbursed amount of Housing loan sanctioned.	2,889,398,321	3,239,199,117	

39. Foreign Currency Expenditures:

		(In Rupees)	
Particulars	2013-14	2012-13	
License Renewal fees	-	43,639	

40. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
Date: April 30, 2014

For and on behalf of the Board

Gautam Doshi
(Director)

Padmanabh Vora
(Director)

Soumen Ghosh
(Director)

K. V. Srinivasan
(Director)

K. Suresh Kumar
(Manager)

Neena Parelkar
(Company Secretary)

R.R. Joshi

Roopa Joshi
(Chief Financial Officer)

Mumbai
Date: April 30, 2014



Reliance Home Finance Limited

Directors' Report

To The Members,

Your Directors have pleasure in presenting the 5th Annual Report, together with the audited Statement of Accounts of the Company for the financial year ended March 31, 2013.

Financial Results:

A snapshot of the financial performance of the Company for the Financial Year ended March 31, 2013 is as under:

Particulars	(Rupees in Crore)	
	Amount	Amount
	FY 2012-13	FY 2011-12
Gross Income	361.14	339.16
Gross Profit / (Loss)	42.18	39.81
Less: Depreciation	0.16	0.16
Profit before tax	42.02	39.66
Provision for Taxation	14.54	13.21
Net Profit	27.48	26.45
Less: Cumulative Preference Dividend	0.29	Nil
Dividend Distribution Tax	0.04	Nil
Add: Profit / (Loss) brought forward from the previous year	58.16	37.00
Profit available for Appropriation	85.31	63.45
Transfer to Special Reserve Fund	5.49	5.29
Balance carried forward	79.82	58.16

Financial Performance and Review of Business:

The Company's gross income for the financial year ended March 31, 2013 increased to Rs. 361.14 Crore from Rs. 339.16 Crore in the previous year, recording a growth of 6.48 per cent. As compared to the previous year, the cost of funds of the company increased by 9.33%. The gross profit amounted to Rs. 42.02 Crore registering an increase of 5.96% against the previous year. Depreciation remained steady at Rs. 0.16 Crore. The provision for taxation during the year was Rs. 14.54 Crore. The net profit for the year was Rs.27.48 Crore. During the year, an interim dividend of Rs. 0.33 Crore (inclusive of dividend distribution tax) was paid to the preference share holders in respect of dividend accumulated on these preference shares @8% for F.Y. 2009-2010 and 2010-2011. An amount of Rs. 5.49 Crore was transferred to the Special Reserve Fund pursuant to section 29-C of the National Housing Bank Act, 1987, during the year under review.

Resources and Liquidity:

We understand that liquidity in balance sheet has to balance between earning adequate returns and the need to cover financial and business risks. During the year under review, the Company has raised Rs. 300 Crore as Term Loans from various Banks. It has repaid Rs. 212.50 Crore worth of Term Loans from the balance outstanding as at the beginning of the year. The company redeemed commercial papers of Rs. 45.00 Crore issued by it last year and further issued commercial papers worth Rs. 25 Crore during the current year. The company has also issued Secured Non Convertible Debentures of Rs.86.00 Crore and Unsecured Non Convertible Debentures of

Reliance Home Finance Limited

Directors' Report

Rs.118.00 Crore during the current financial year which has been listed on Wholesale Debt Segment (WDM) of Bombay Stock Exchange (BSE) Limited.

Deposits:

The Company is registered with National Housing Bank as a Housing Finance Institution not accepting public deposits and hence, has not accepted any public deposits during the year.

Conversion of Preference Shares and change in Capital structure

The Company during the year under review had offered the holders of its Optionally Convertible Redeemable Preference Shares (OCRPS), an option to either get the OCRPS converted into an equivalent number of equity shares in the ratio of 1:1 or redeem them at the redemption price of Rs. 1000 for each OCRPS. Reliance Capital Limited, the sole holder of all the OCRPS issued by the company, exercised the option to get the OCRPS converted into equity shares and hence 29,10,000 equity shares were allotted to them.

The company has reclassified its authorised share capital of Rs.125 Crores (Rupees One Hundred and Twenty Five Crores Only) into 7,50,00,000 Equity Shares of Rs.10/- each amounting to Rs.75 Crores (rupees Seventy Five Crores Only) and 5,00,00,000 Preference Shares of Rs.10/- each amounting to Rs.50 Crores (Rupees Fifty Crores Only).

To enhance its capital base through capitalization of reserves, the Company issued fully paid Bonus shares of Rs. 10 each to its shareholders as on January 28, 2013, in the ratio of 1:1.

Dividend:

As per the terms of issue, on conversion of the Optionally Convertible Redeemable Preference Shares into equity shares, the company was required to pay the dividend accumulated on these preference shares @8% for F.Y. 2009-2010 and 2010-2011. Thus on conversion of these preference shares, the company paid preference dividend of Rs.28,56,000/- (Rupees Twenty Eight Lacs Fifty Six Thousand Only) during the current year.

Directors:

Shri Gautam B. Doshi, Director of the Company, who retires by rotation as per the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Audit Committee:

As per the requirements of section 292A of the Companies Act, 1956, the Company has an Audit Committee comprising of the following Directors:

Shri Soumen Ghosh
Shri Gautam B Doshi
Shri Padmanabh P. Vora

Reliance Home Finance Limited

Directors' Report

During the Financial Year 2012-13, the Audit Committee of the Board met 4 times, once in every quarter.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that: -

- (i) in the preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013, and of the profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2013 on a 'going concern' basis.

Auditors and Auditors' Report:

M/s Chaturvedi & Shah, Chartered Accountants, hold office as Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letters from M/s Chaturvedi & Shah, Chartered Accountants to the effect that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

The notes to the accounts referred to in the Auditors' Report are self explanatory.

Particulars of Employees:

The provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees), 2011, the names and other particulars of employees are set out in the Annexure to the Directors' Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.

Reliance Home Finance Limited

Directors' Report


- (2) Foreign Exchange earnings and outgo - During the year under review, company has made a foreign payment of Rs.43,639 (Rupees Forty Three Thousand Six Hundred and Thirty Nine only)

Acknowledgements:

Your Directors take this opportunity to thank the National Housing Bank, National Securities Depository Limited (NSDL), Bombay Stock Exchange (BSE) and other regulatory authorities, Company's Bankers and Financial Institutions, shareholders for their continued support and assistance during the period under review.

The Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

For and on behalf of the Board of Directors


K. V. Srinivasan
Director
April 17, 2013


Soumen Ghosh
Director



Registered Office:
570, Rectifier House,
3rd Floor, Naigaum Cross Road,
Wadala, Mumbai - 400 031

Independent Auditor's Report

To,
The Members,
Reliance Home Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Home Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

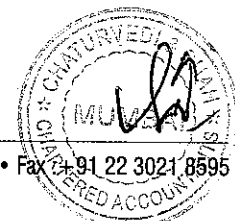
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Branches: Ahmedabad | Bengaluru | Delhi | Jamnagar

Independent Auditor's Report (Continued)
Reliance Home Finance Limited

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

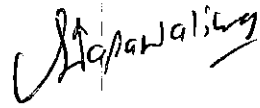


Continuation sheet..

Independent Auditor's Report (Continued)
Reliance Home Finance Limited

- e. on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:101720W



Vijay Napawaliya
Partner
Membership No: 109859

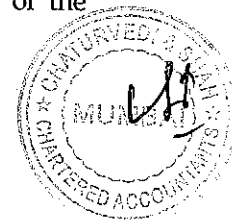


Mumbai
Dated : April 17, 2013

Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- (i) The nature of the Company's business/ activities during the year have been such that, clause (ii), (viii) & (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) In respect of its fixed assets: -
- a. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
- b. The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. In our opinion, and according to the information and explanations given to us, the Company has not disposed off any fixed assets during the year.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
- a) According to the information and explanations given to us, during the year the Company has not granted any loan secured/unsecured to party covered in the register maintained under section 301 of the Act. But the Company had given secured housing loan in the past to a party, prior to his appointment as director, whose maximum outstanding balance was Rs.55,42,396 and the year end balance is Rs.55,00,000. There has been no disbursement post appointment.
- b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the above mentioned party are not, prima facie, prejudicial to the interest of the Company.
- c) According to the information and explanations given to us, the said loan given in the past is partially disbursed hence repayment of principal amount is still not started but interest payment thereon is regular as per their repayment schedule.
- d) There is no overdue amount of more than rupees one lakh in respect of the above loans.

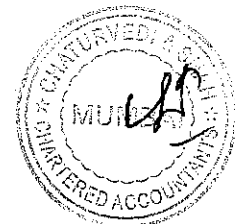


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Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the year the Company did not undertake any activities of purchase of inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to information and explanations given to us, there are no transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangement does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public hence directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable.
- (vii) In our opinion, the Company has an internal audit system, commensurate with its size and nature of its business.
- (viii) In respect of statutory dues:
- a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Investor Education Protection Fund, Income-tax, Sales-tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, except in case of Professional Tax, in which case there are few delays in payment of the said due. According to the information and explanations given to us, there are no undisputed amounts payable outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.

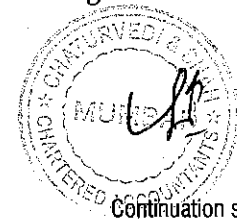


Continuation sheet...

Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) The Company neither has accumulated losses nor it has incurred any cash losses during the current financial year and in the immediate preceding financial year.
- (x) Based on our audit procedures and the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the Company has maintained the adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties. The Company has not granted loans and advances by way of pledge of shares and debentures during the year.
- (xii) The Company has maintained proper records of transactions and contract in respect of trading in units of mutual fund and other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xiii) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xiv) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xv) According to information and explanations given to us and on the basis of review of the maturity pattern of Assets and Liabilities and management's estimate of expected preclosure of the loans given in next one year, liabilities maturing in next one year are not in excess of the assets of similar maturity.
- (xvi) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) The Company has created securities in respect of secured debentures issued during the year.

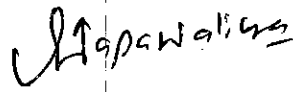


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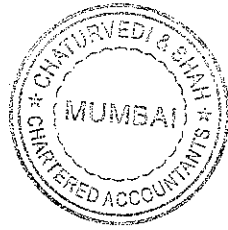
Reliance Home Finance Limited
Annexure to the Independent Auditor's Report (Continued)
(Referred to in our report of even date)

- (xviii) The Company has not raised any money by way of public issue during the year.
- (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No:101720W



Vijay Napawaliya
Partner
Membership No: 109859



Mumbai
Dated : April 17, 2013

RELIANCE HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	(Rupees)	
		As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES :			
1 Shareholders' Funds			
(a) Share Capital	3	658,200,000	329,100,000
(b) Reserves and Surplus	4	3,550,906,445	3,608,498,951
2 Non-current liabilities			
(a) Long-term borrowings	5	19,152,091,797	18,424,088,725
(b) Deferred tax liabilities (Net)	6	49,050,000	38,000,000
(c) Long-term provisions	7	129,274,894	99,706,068
3 Current liabilities			
(a) Short-term borrowings	8	244,167,068	443,125,415
(b) Trade payables	9	-	-
(c) Other current liabilities	10	5,737,132,629	2,772,768,701
(d) Short-term provisions	11	14,184,652	4,237,406
TOTAL		29,535,007,485	25,719,525,266
II. ASSETS :			
1 Non-current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		655,742	655,200
(ii) Intangible Assets		1,796,036	3,377,965
(b) Non Current Investments	13	137,571,973	137,571,973
(c) Long-term loans and advances	14	24,826,464,117	22,806,446,479
(d) Other non-current assets	15	956,671,834	785,473,723
2 Current assets			
(a) Current Investments	16	-	250,000,000
(b) Trade receivables	17	-	3,325,085
(c) Cash & Cash Equivalents	18	709,416,080	495,499,492
(d) Short-term loans and advances	19	2,666,678,128	1,013,934,855
(e) Other current assets	20	235,753,575	223,240,494
TOTAL		29,535,007,485	25,719,525,266

See accompanying notes to the financial statements '1-43

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership No. 109859
Mumbai
Date: April 17, 2013

For and on behalf of the Board

Gautam Doshi
Gautam Doshi
(Director)

K.V. Srinivasan
K.V. Srinivasan
(Director)

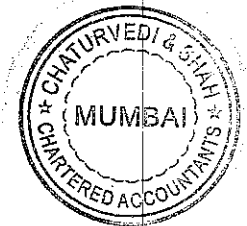
Padmanabh Vora
Padmanabh Vora
(Director)

K. Suresh Kumar
K. Suresh Kumar
(Manager)

Soumen Ghosh
Soumen Ghosh
(Director)

Neena Parelkar
Neena Parelkar
(Company Secretary)

Mumbai
Date: April 17, 2013



RELIANCE HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Rupees)

Particulars	Note No.	2012-13	2011-12
REVENUE			
(I) Revenue from operation	21	3,555,944,078	3,391,368,141
(II) Other Income	22	55,485,629	182,124
(III) TOTAL REVENUE (I+II)		<u>3,611,429,707</u>	<u>3,391,550,265</u>
EXPENSES			
Employee Benefits expense	23	275,027,350	256,656,775
Finance Cost	24	2,542,230,746	2,325,249,381
Depreciation and Amortisation	12	1,631,387	1,606,386
Other expenses	25	372,303,580	411,429,550
(IV) TOTAL EXPENSES		<u>3,191,193,063</u>	<u>2,994,942,092</u>
(V) PROFIT BEFORE TAX (III-IV)		420,236,644	396,608,173
(VI) TAX EXPENSE :			
Current Tax		130,700,000	128,600,000
Income tax for Earlier Year		3,659,835	-
Deferred Tax		11,050,000	3,475,000
(VII) PROFIT AFTER TAX (V-VI)		<u>274,826,809</u>	<u>264,533,173</u>
(VIII) EARNING PER EQUITY SHARE	36		
(Face value of Rs. 10 each fully paid up)			
Basic & Diluted		4.26	4.20

See accompanying notes to the financial statements '1-43

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Vijay Napawaliya
Partner
Membership No. 109859
Mumbai
Date: April 17, 2013

For and on behalf of the Board

Gautam Doshi
Gautam Doshi
(Director)

Padmanabh Vora
Padmanabh Vora
(Director)

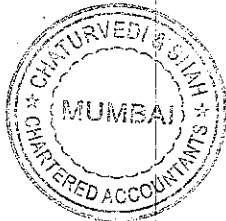
Soumen Ghosh
Soumen Ghosh
(Director)

K.V. Srinivasan
K.V. Srinivasan
(Director)

K. Suresh Kumar
K. Suresh Kumar
(Manager)

Neena Parekar
Neena Parekar
(Company Secretary)

Mumbai
Date: April 17, 2013



RELIANCE HOME FINANCE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013		
(Rupees)		
Particulars	2012-13	2011-2012
A. Cash Flow from Operating Activities		
Net Profit Before Tax	420,236,644	396,608,173
Adjusted for		
Depreciation and Amortisation	1,631,387	1,606,386
Provision for Standard Debts	38,812,334	77,578,372
Provision for NPA & Doubtful debts	19,835,670	17,849,318
Bad Debts Written Off	14,845,202	13,900,846
(Profit)/Loss on Sale of Investments	(50,928,676)	-
Discount on Commercial Papers	17,081,953	75,333,892
Amortised DSA Commission	69,584,053	25,076,734
Amortised Brokerage Commission	6,576,203	2,809,916
Interest Expenses & Processing Charges	2,518,572,590	2,247,105,573
Operating Profit/(Loss) before Working Capital Changes	3,056,247,360	2,857,869,210
Adjusted for		
Proceeds/(Repayments) from issue of Commercial Papers (Net)	(216,040,300)	(1,843,829,200)
Repayments of Long term Borrowing	(2,125,000,000)	(1,450,911,275)
Proceeds from Long term Borrowing	5,040,000,000	4,000,000,000
Proceeds/(Repayments) from Short Term Borrowing (Net)	-	(490,000,000)
Trade Receivable & Loans and advances	(3,982,264,726)	750,639,813
Trade Payables and Liabilities	701,465,152	(797,575,123)
Cash Generated from Operation	2,474,407,486	3,026,193,425
Interest & Processing Charges Paid	(2,443,073,809)	(2,246,783,670)
Taxes Paid	(48,162,850)	(89,789,220)
Net Cash from/ (used in) Operating Activities	(16,829,173)	689,620,535
B. Cash Flow from Investing Activities		
Investment in Fixed Deposits	(66,813,600)	(280,446,896)
Purchase of Fixed Asset	(50,000)	(665,200)
Purchase of Investments	-	(250,000,000)
Sale of Current Investments (Net)	300,928,676	-
Net Cash from/ (used in) Investing Activities	234,065,076	(531,112,096)
C. Cash Flow from Financing Activities		
Proceeds from issue of Preference Share Capital including Securities Premium	-	250,000,000
Dividend Paid	(3,319,315)	-
Net Cash from/ (used in) Financing Activities	(3,319,315)	250,000,000
Net increase/ (decrease) in Cash and Cash Equivalents (A + B + C)	213,916,588	408,508,439
Opening Balance of Cash and Cash Equivalents	495,499,492	86,991,053
Closing Balance of Cash and Cash Equivalents	709,416,080	495,499,492

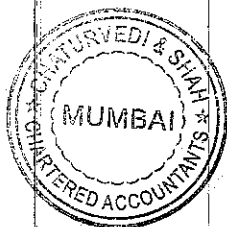
Note :

1. The Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Mumbai
Date: April 17, 2013



For and on behalf of the Board

Gautam Doshi
Gautam Doshi
(Director)

Padmanabh Vora
Padmanabh Vora
(Director)

Soumen Ghosh
Soumen Ghosh
(Director)

K.V. Srinivasan
K.V. Srinivasan
(Director)

K. Suresh Kumar
K. Suresh Kumar
(Manager)

Neena Parelkar
Neena Parelkar
(Company Secretary)

Mumbai
Date: April 17, 2013



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1 Background

The Company is registered with National Housing Bank as Housing Finance Company without accepting public deposit. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as notified by the Companies (Accounting standard) Rules, 2006 and relevant provisions of the Companies Act, 1956, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c Revenue Recognition

i) Interest Income

Repayment of Housing Loan is by way of Equated Monthly Installments (EMI) comprising of principal and interest where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest Income on performing assets is recognized on accrual basis and on non-performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/secured loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization on a monthly basis.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Asset

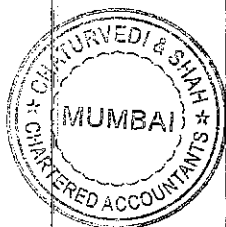
Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on fixed assets other than computer software is provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

g Investments

Investments are classified into current investments and long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at the Net Asset Value declared by Mutual Funds in respect of each particular scheme as per the guidelines issued by the NHB.

h Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

i Provision for Standard Assets, Non Performing Assets(NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

j Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

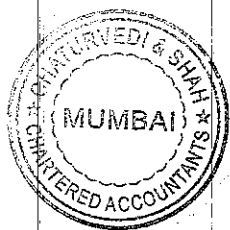
The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

k Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

l Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

m Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

n Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

o Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

p Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

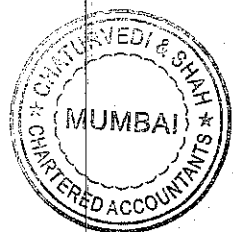
3. Share Capital

	As at March 31, 2013	As at March 31, 2012
(Rupees)		
a) Authorised:		
75,000,000 Equity Shares of Rs. 10 each (Refer Note 1 below) (March 31, 2012 : 50,000,000 Equity Shares of Rs. 10 each)	750,000,000	500,000,000
50,000,000 Preference Shares of Rs. 10 each (March 31, 2012 : 75,000,000 Preference Shares of Rs. 10 each)	500,000,000	750,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
b) Issued, Subscribed & Fully Paid up		
65,820,000 Equity Shares of Rs. 10 each (Refer Note 2 below) (March 31, 2012 : 30,000,000 Equity Shares of Rs. 10 each)	658,200,000	300,000,000
2,910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each (March 31, 2012 : 2,910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each) (Refer Note (f) (iii) below)	-	29,100,000
	<u>658,200,000</u>	<u>329,100,000</u>
c) Par Value per Share	Amount in Rs.	Amount in Rs.
Equity	10	10
Preference	-	10

Notes :

1 In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on January 29, 2013 the Company has reclassified its Authorised Share Capital from Rs.125,000,000 (50,000,000 Equity Shares of Rs. 10 each and 75,000,000 Preference Shares of Rs. 10 each) to 125,000,000 (75,000,000 Equity Shares of Rs. 10 each and 50,000,000 Preference Shares of Rs. 10 each).

2 In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on January 29, 2013 the Company has issued 3,29,10,000 bonus share to its existing equity share holders in the ratio 1:1. These bonus shares have been issued by capitalising the Securities Premium Account.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

d) Reconciliation of Issued, subscribed and fully paid up Share Capital	As at March 31, 2013		As at March 31, 2012	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares				
Opening Balance	30,000,000	300,000,000	30,000,000	300,000,000
Addition during the year				
Issued upon conversion of Preference shares	2,910,000	29,100,000	-	-
Bonus Shares Issued	32,910,000	329,100,000	-	-
Reduction during the year	-	-	-	-
Closing Balance	65,820,000	658,200,000	30,000,000	300,000,000
0% Optionally Convertible / Redeemable Preference Shares				
Opening Balance	2,910,000	29,100,000	-	-
Add : Converted from Compulsory Convertible	-	-	2,660,000	26,600,000
Add : Issued during the year	-	-	250,000	2,500,000
Less : Converted in to Equity Shares	2,910,000	29,100,000	-	-
Closing Balance	-	-	2,910,000	29,100,000

e) Rights, Preferences and Restrictions :

1 Voting Rights :

In case of Equity Shares

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend.

In case of Preference Shares :

Preference Share holders have a right to vote only on resolutions which directly affect the rights attached to Preference Shares.

2 Dividends :

The Company has amended its Articles of Association effective from April 1, 2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividend on any of its share capital.

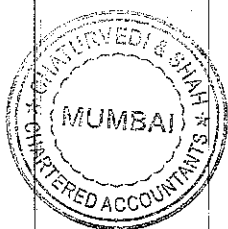
f) Terms for Conversion & Repayment of Preference Share Capital

In case of 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each :

(i) Each of the Preference Shares shall be converted into Equity Share of the Company in such fraction or number(s) and in such manner as may be decided by the Board of Directors at their sole discretion, in one or more tranches, at any time on or before the expiry of 6 (Six) years from the date of issue of the Preference Shares by giving a notice of 1(one) month in writing to the preference shareholders and upon such conversion shall rank pari-passu in all respects with the existing equity shares of the Company.

(ii) At the time, conversion of each of the Preference Shares into Equity Share of the Company is proposed by the Board, an option would be given to the preference shareholder to redeem the preference share at a premium to be decided by the Board and intimated to the preference shareholder by giving a notice of 1(one) month in writing.

(iii) As on July 28, 2012 the Company has taken approval from its existing preference share holders and accordingly as on September 10, 2012 converted its existing 29,10,000, 0% Optionally Convertible / Redeemable preference Shares into equivalent number of equity shares of the Company in the ratio of 1:1. Out of the above preference shares 910,000 preference shares were issued on March 30, 2009, 17,50,000 preference shares were issued on March 25, 2010 and balance 2,50,000 preference shares were issued on June 29, 2011 by the Company.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

h) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

	As at March 31, 2013				As at March 31, 2012	
	%	No of Shares	Amount in Rs.	%	No of Shares	Amount in Rs.
Equity Shares						
Reliance Capital Limited	100%	65,819,960	658,199,600	100%	29,999,980	299,999,800
Reliance Capital Ltd. and its nominees	0%	40	400	0%	20	200
	100%	65,820,000	658,200,000	100%	30,000,000	300,000,000
Optionally Convertible/ Redeemable Preference Shares						
Reliance Capital Limited	-	-	-	100%	2,910,000	29,100,000
	-	-	-	100%	2,910,000	29,100,000

i) Out of the above Equity shares 32,910,000 shares were allotted as fully paid-up as bonus shares to its existing equity share holders in the current year.

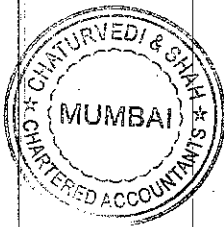
4. Reserves and Surplus

	As at March 31, 2013		As at March 31, 2012	
a) Securities Premium Account				
As Per Last Balance Sheet	2,880,900,000		2,633,400,000	
Add: On Issue of 0% Optionally Convertible / Redeemable Preference	-		247,500,000	
Less: Utilised for issue of Bonus Shares	329,100,000		-	
		2,551,800,000		2,880,900,000
b) Special Reserves #				
As Per Last Balance Sheet	145,927,693		93,048,320	
Add: Transfer from Surplus in Statement of Profit & Loss	54,965,362		52,879,373	
		200,893,055		145,927,693
c) Surplus in Statement of Profit & Loss				
As Per Last Balance Sheet	581,671,258		370,017,458	
Add: Transfer from Statement of Profit & Loss	274,826,809		264,533,173	
Less: Transfer to Special Reserve	54,965,362		52,879,373	
Less: Preference Dividend (Refer Note 39)	2,856,000		-	
Less: Dividend Distribution Tax	463,315		-	
		798,213,390		581,671,258
		<u>3,550,906,445</u>		<u>3,608,498,951</u>

(in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and Section 29C of National Housing Bank Act, 1987)

5. Long-term borrowings

	As at March 31, 2013		As at March 31, 2012	
Non Convertible Debentures				
Secured (Refer Note 26)		860,000,000		-
Unsecured		1,180,000,000		-
Term Loans from Banks				
Secured (Refer Note 27)		17,112,091,797		18,424,088,725
Unsecured		-		-
		<u>19,152,091,797</u>		<u>18,424,088,725</u>



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

6. Deferred Tax Liabilities		(Rupees)	
Particulars	As at March 31, 2013	As at March 31, 2012	
Deferred tax Liability disclosed in the Balance Sheet comprises the following :			
a) Deferred Tax Liability			
Related to Fixed Assets	545,091	967,185	
Unamortised Expenditure	70,976,972	54,675,715	
Special Reserve	52,689,413	42,170,657	
Total	<u>124,211,476</u>	<u>97,813,557</u>	
b) Deferred Tax Asset			
Disallowance under the Income Tax Act, 1961	(1,346,845)	(1,667,497)	
Provision for NPA/ Diminution in the value of Assets	(73,814,631)	(58,146,060)	
Total	<u>(75,161,476)</u>	<u>(59,813,557)</u>	
Net Deferred Tax Liabilities/(Asset) (a) - (b)	<u>49,050,000</u>	<u>38,000,000</u>	
7. Long Term Provisions		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
a) Provision for Employees Benefits			
Leave Encashment	2,765,643	2,347,138	
Gratuity	-	-	
b) Provision for Standard Assets	126,509,251	97,358,930	
	<u>129,274,894</u>	<u>99,706,068</u>	
8. Short-term borrowings		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
a) From Banks			
- Cash credit facilities - Secured	-	-	
b) From Others			
- Commercial Papers - Unsecured	244,167,068	443,125,415	
	<u>244,167,068</u>	<u>443,125,415</u>	

Notes :

- Cash Credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 550,000,000.
- In respect of Commercial Papers referred above, maximum amount outstanding during the year was Rs.450,000,000 (Previous year Rs. 1,546,982,289).



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

9. Trade Payables (Rupees)

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

Due to Micro, Medium & Small	-	-
Due to Others	-	-
	<u>-</u>	<u>-</u>

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

10. Other Current Liabilities (Rupees)

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

a) Current maturities of long term debts - Secured (Refer Note 27)	4,312,400,000	2,125,000,000
b) Interest accrued and due on borrowings	-	321,903
c) Interest accrued and not due on borrowings	75,498,781	-
d) Advance from Customers	49,623,183	73,191,923
e) Payable under Securitisation / Assignment (Net)	128,165,535	63,583,506
f) Temporary Book Overdraft (Refer Note 1 below)	1,022,783,837	453,351,261
g) Other Payables	148,661,293	57,320,108
	<u>5,737,132,629</u>	<u>2,772,768,701</u>

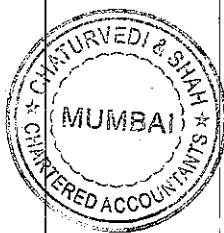
Notes:

- 1 Temporary Book Overdraft of Rs. 1,022,783,837 (Previous Year Rs. 453,351,261) represents cheques issued towards disbursements to borrowers for Rs. 1,015,482,764 (Previous Year Rs.438,509,773) and cheques issued for payment of expenses of Rs. 7,301,073 (Previous Year Rs.14,841,488), but not encashed as at March 31, 2013.
- 2 Other Payables includes statutory payments and others liabilities.

11. Short Term Provisions (Rupees)

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

a) Provision for Employees Benefits		
Leave Encashment	61,123	50,089
Gratuity	274,199	-
	<u>335,322</u>	<u>50,089</u>
b) Provision for Standard Assets	13,849,330	4,187,317
	<u>14,184,652</u>	<u>4,237,406</u>



RELIANCE HOME FINANCE LIMITED

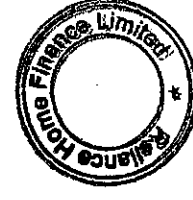
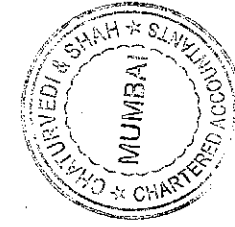
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

**Note "12"
Fixed Assets**

Sr. No.		Gross Block			Depreciation		Net Block		
		As at April,1 2012	Addition	Deletion	As at March 31, 2013	As at April,1 2012	Depreciation upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
(i)	Tangible Assets								
1	Office Equipments	18,300	-	-	18,300	5,854	1,731	7,585	12,446
2	Office Buildings	665,200	-	-	665,200	22,446	32,138	54,584	642,754
3	Data Processing Machineries	-	50,000	-	50,000	-	15,589	15,589	-
	Total	683,500	50,000	-	733,500	28,300	49,458	77,758	655,200
	Previous Year	18,300	665,200	-	683,500	3,843	24,457	28,300	655,200
(ii)	Intangible Assets								
	Computer Software	7,909,647	-	-	7,909,647	4,531,682	1,581,929	6,113,611	1,796,036
	Total	7,909,647	-	-	7,909,647	4,531,682	1,581,929	6,113,611	1,796,036
	Previous Year	7,909,647	-	-	7,909,647	2,949,753	1,581,929	4,531,682	3,377,965

Notes :

- 1 In respect of Intangible Assets :
 - a) It is other than internally generated.
 - b) Balance useful life of 1 years. (Previous Years 2 years)



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

13. Non Current Investments		(Rupees)				
	Face Value / Issue Price	Quantity		Value		
		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	
Other Investments - Unquoted, fully paid- Pass through Certificates						
Series A2 PTCs of ILSS 4 Trust 2011	10,582,460	13	13	137,571,973	137,571,973	
				<u>137,571,973</u>	<u>137,571,973</u>	

Notes :

1 The aggregate value of investments:	As at March 31, 2013		As at March 31, 2012	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	137,571,973	-	137,571,973	-
TOTAL	<u>137,571,973</u>	<u>-</u>	<u>137,571,973</u>	<u>-</u>

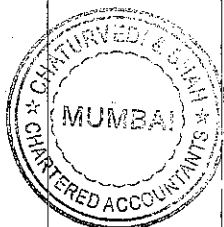
2 The aggregate provision for diminution in the value of investments:	As at	As at
	March 31, 2013	March 31, 2012
Quoted	-	-
Unquoted	-	-
TOTAL	<u>-</u>	<u>-</u>

3 Basis of Valuation	As at	As at
	March 31, 2013	March 31, 2012
	at cost	at cost

14. Long Term Loans and Advances		(Rupees)	
	As at		As at
	March 31, 2013		March 31, 2012
a) Capital Advances (Unsecured)			1,104,075
b) Security Deposits (Unsecured)		500,000	5,000
c) Loans (Secured)			
(i) Considered Good			
Housing loans :			
Individuals	15,043,541,937		18,290,216,698
Others	5,057,004,164		3,804,179,070
Director of the Company (Refer Note 1 below)	5,500,000		5,500,000
Officer of the Company	<u>10,363,309</u>		<u>10,626,542</u>
		20,116,409,410	22,110,522,310
Commercial loans		4,435,141,945	386,487,348
(ii) Considered Doubtful			
Housing loans :			
Individuals	317,617,492		329,204,554
Others	<u>10,590,929</u>		<u>6,620,002</u>
	328,208,421		335,824,556
Less: Provision for NPA & Doubtful Debts	<u>78,970,583</u>		<u>69,230,655</u>
		249,237,838	266,593,901
Commercial loans	462,204		467,289
Less: Provision for NPA & Doubtful Debts	<u>184,881</u>		<u>116,822</u>
		277,323	350,467
d) Installments Due (Secured) considered doubtful			
Principal Overdue	12,791,116		8,320,583
Less: Provision for NPA & Doubtful Debts	<u>8,187,545</u>	4,603,571	<u>4,155,984</u>
			4,164,599
e) Balance with Service Tax Authorities			160,400
f) Taxes paid [Net off Income tax provision Rs. 43,41,00,000]		20,294,030	37,058,379
		<u>24,826,464,117</u>	<u>22,806,446,479</u>

Note:

- 1 Loan to director was disbursed prior to appointment as a director and no further disbursements have been made post appointment as director.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

15. Other Non Current Assets		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
a) Receivable from Trustee under Securitisation (Secured)	160,776,928	117,834,515	
b) Fixed Deposits with banks (Maturity > 12 Months) (kept as credit enhancement towards securitisation/ direct assignment)	601,860,496	535,046,896	
c) Unamortised Expenditure			
(i) Unamortised DSA Commission	157,480,336	118,597,216	
Add: Incurred During the Year	73,381,867	63,959,854	
Less: Amortised During the year	69,584,053	25,076,734	
	161,278,150	157,480,336	
Less: to be amortised over the next one year (Refer Note 20 (b))	16,219,848	28,837,570	
	145,058,302	128,642,766	
(ii) Unamortised Brokerage on Borrowing	7,118,789	50,83,333	
Add: Incurred during the Year	5,69,40,158	4,845,372	
Less: Amortised during the year	6,576,203	2,809,916	
	57,482,744	7,118,789	
Less: to be amortised over the next one year (Refer Note 20 (b))	8,506,636	3,169,243	
	48,976,108	3,949,546	
	<u>956,671,834</u>	<u>785,473,723</u>	

16. Current Investments		(Rupees)			
	Face Value/ Issue Price	Quantity		Value	
		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Other Investments - Unquoted, fully paid-up					
Units of Mutual Funds					
Reliance Liquidity Fund -Growth Fund	10	-	15,479,876	-	250,000,000
				-	250,000,000

Notes:

1 The aggregate value of investments:

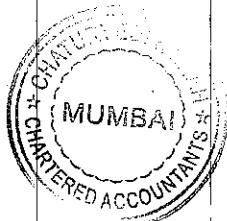
	As at March 31, 2013		As at March 31, 2012	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	-	-	250,000,000	-
TOTAL	-	-	250,000,000	-

2 The aggregate provision for diminution in the value of investments:

	As at March 31, 2013	As at March 31, 2012
	Quoted	-
Unquoted	-	-
TOTAL	-	-

3 Basis of Valuation

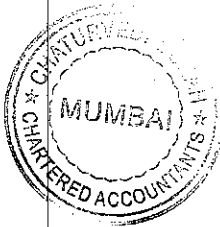
As at March 31, 2013 at cost	As at March 31, 2012 at cost



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

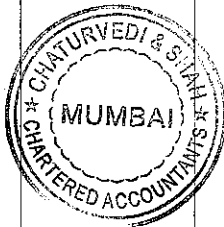
17. Trade Receivables		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
(Unsecured, Considered Good)			
Others	-	3,325,085	
		<u>3,325,085</u>	
18. Cash & Cash Equivalents		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
Balance with the Scheduled Banks in Current Accounts	709,404,580	495,371,281	
Cash on hand	11,500	128,211	
	<u>709,416,080</u>	<u>495,499,492</u>	
19. Short-term loans and advances		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
a) Loans repayments within next 12 months (Secured)			
Considered Good			
Housing loans :			
Individuals	513,178,573	502,725,068	
Others	1,457,684,876	460,989,786	
Officer of the Company	<u>263,234</u>	<u>225,370</u>	
	197,11,26,683	96,39,40,224	
Commercial loans	597,696,947	18,599,996	
b) Installments Due (Secured) considered good	90,584,903	23,048,893	
c) Prepaid expenses (Unsecured)	5,131,099	1,859,478	
d) Sundry Advances (Unsecured)	2,138,496	6,486,264	
	<u>2,666,678,128</u>	<u>1,013,934,855</u>	
20. Other Current Assets		(Rupees)	
	As at March 31, 2013	As at March 31, 2012	
a) Interest Accrued on			
Investments	643,407	656,613	
Fixed Deposits	8,198,732	3,893,510	
Loans and advances	<u>202,184,952</u>	<u>186,683,558</u>	
	211,027,091	191,233,681	
b) Unamortised Expenditure			
Unamortised DSA Commission	16,219,848	28,837,570	
Unamortised Brokerage on Borrowing	<u>8,506,636</u>	<u>3,169,243</u>	
	24,726,484	32,006,813	
	<u>235,753,575</u>	<u>223,240,494</u>	



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

21. Revenue from operation				(Rupees)
		2012-13	2011-12	
a)	Interest Income			
	Interest On:			
	Housing and Other Loans	3,267,828,680	3,146,433,446	
	Fixed Deposit	51,527,711	23,698,446	
	Long term Investments	13,936,254	13,362,150	
		3,333,292,645		3,183,494,042
b)	Other Financial Income			
	Processing Fee Income	203,081,638	143,956,511	
	Foreclosure & Other Operating Charges	16,279,345	52,557,860	
	Brokerage Commission on property solution	27,085,741	32,770,760	
		246,446,724	229,285,131	
	Less : Service tax recovered	23,795,291	21,411,032	
		222,651,433		207,874,099
		3,555,944,078		3,391,368,141
22. Other Income				(Rupees)
		2012-13	2011-12	
a)	Profit on Sale of Current Investments (Net)	50,928,676	-	
b)	Interest on Income tax refund	-	182,124	
c)	Miscellaneous Income	832,216	-	
d)	Bad Debts Recovered	3,724,737	-	
		55,485,629		182,124
23. Employee Benefits Expense				(Rupees)
		2012-13	2011-12	
	Payments to and Provision for Employees			
	- Salary & Bonus etc	257,613,583	235,164,682	
	- Contribution to Provident fund and other Funds	12,040,740	10,679,875	
	- Staff Welfare & other Amenities	5,373,027	10,812,218	
		275,027,350	256,656,775	
24. Finance Cost				(Rupees)
		2012-13	2011-12	
a)	Interest Expense			
	Term Loan From Banks	2,438,203,199	2,118,136,336	
	Cash Credit from Banks	1,415,403	34,852,120	
	Non Convertible Debentures	75,922,343	-	
	Body Corporates	2,590,331	91,829,471	
		2,518,131,276		2,244,817,927
b)	Other Borrowing Cost			
	Amortised Brokerage (Refer Note"15 (c)(ii)")	6,576,203	2,809,916	
	Discount on Commercial Paper	17,081,953	75,333,892	
	Processing Charges	441,314	2,287,646	
		24,099,470		80,431,454
		2,542,230,746		2,325,249,381



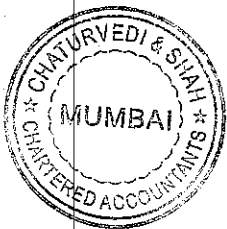
RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

25. Other expenses	(Rupees)	
	2012-13	2011-12
Auditor's Remuneration (Refer Note 32)	800,000	500,000
Bank Charges	1,722,780	1,160,322
Credit Cost	11,537,141	7,731,090
Collection Cost	918,701	819,269
Directors' Sitting Fees	334,832	160,000
Amortised DSA Commission (Refer Note"15 (c)(i)")	69,584,053	25,076,734
Electricity	6,345	2,720,967
Infrastructure Cost #	33,708,000	13,776,474
Lease Rental	-	29,695,116
Legal & Professional Fees	37,200,468	47,083,032
Marketing Expenses	65,726,527	79,177,205
Management Expenses	31,854,000	33,383,336
Miscellaneous Expenses	8,518,339	4,996,004
Interest on income tax	-	341,601
Postage ,Telegram & Telephone	1,398,930	3,998,913
Printing and Stationary	1,510,539	4,371,918
Rates and Taxes	2,540,635	1,671,103
Repairs & Maintenance-Others	11,844,524	28,505,818
Travel & Conveyance	19,604,560	16,932,112
Bad Debts Written Off	14,845,202	13,900,846
Provision for Standard Asset	38,812,334	77,578,372
Provision for NPA & Doubtful Debts	19,835,670	17,849,318
	<u>372,303,580</u>	<u>411,429,550</u>

Note:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities and infrastructure at various locations the Company has paid Infrastructure Cost to RCL.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

26. Security clause, Maturity Profile & Rate of interest in respect of Non Convertible Debentures

a Secured Non Convertible Debentures referred above are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothecation on the present and future books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

b Maturity profile of Non Convertible Debentures are as set out below:

Rate of Interest	2014-15	2015-16	2017-18	2022-23	Total
10.00%	50,000,000	150,000,000	400,000,000	160,000,000	760,000,000
10.10%	-	-	200,000,000	-	200,000,000
10.15%	-	50,000,000	-	-	50,000,000
10.33%	-	-	-	450,000,000	450,000,000
10.40%	-	-	-	500,000,000	500,000,000
10.60%	-	-	-	80,000,000	80,000,000
Total	50,000,000	200,000,000	600,000,000	1,190,000,000	2,040,000,000

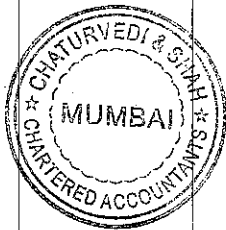
27. Security clause & Maturity Profile in respect to secured loans from banks

Term loans referred in Note "5" and current maturity of long term debts (Refer Note "10 (a)") includes :

- a Term loan Rs. 16,949,393,533 (Previous year Rs. 15,248,766,808) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 18,797,220,163 (Previous year Rs. 17,076,616,884).
- b Term loan Rs. 1,000,000,000 (Previous year Rs. 1,000,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 1,100,000,000 (Previous year Rs. 1,100,000,000).
- c Term loan Rs. 1,875,098,264 (Previous year Rs. 2,500,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,062,608,090 (Previous year Rs. 2,750,000,000).
- d Term loan Rs. 1,600,000,000 (Previous year Rs. 1,800,321,917) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 1,920,000,000 (Previous year Rs. 2,160,386,300).

e Maturity profile of Secured term loans from banks are as set out below:

Year	(Amount in Rs) Principal Repayment
2013-14	4,312,400,000
2014-15	5,786,691,797
2015-16	6,095,800,000
2016-17	3,896,000,000
2017-18	1,333,600,000
Grand Total	21,424,491,797



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

28. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Ltd. As per the amended BTA with RCL:
- The RCL holds loan assets of Rs. 105,591,590 (Previous year Rs. 424,026,006) of the Company in the capacity of trust as on March 31, 2013.
 - During the year the Company has taken the following assets, income and expenses from the RCL :
 - Unamortized DSA Commission of Rs. 7,50,750 (Previous year Rs. 1,596,221)
 - Interest & other income of Rs. 30,091,932 (Previous year Rs. 109,561,344)
 - Interest & other expenses of Rs. 31,811,133 (Previous year Rs. 92,075,551)
 - DSA commission expense of Rs. Nil (Previous year Rs. 133,805)
29. a) During the year the Company has entered into one agreement on August 1, 2012 (Previous year one agreement on October 7, 2011) with its holding company i.e. Reliance Capital Limited (RCL) for loans assignment from RCL. As per deed of assignment, for loans aggregating to Rs. 253,055,124 (Previous year Rs. 492,614,734) the Company has been assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default. The above loans are secured against mortgage of Housing property.
- b) During the year the Company has entered into Nil agreements on various dates (Previous year six agreements on various dates) with RCL for loans assignment to RCL. As per deed of assignment, Rs. Nil (Previous year Rs. 7,034,907,193) the Company assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default.
30. During the year the Company sold loans through securitisation and direct assignment.
- The information related to securitisation and assignment made by the Company, as an originator is given below:

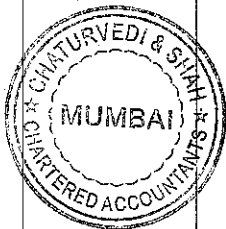
Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	526 (-)	228 (1,898)	754 (1,898)
Total book value of loan assets Securitized / Assigned	Rs.	655,035,243 (-)	1,149,001,569 (2,149,773,678)	1,804,036,812 (2,149,773,678)
Sale consideration received for the Securitized / Assigned assets	Rs.	655,035,243 (-)	1,149,001,569 (2,149,773,678)	1,804,036,812 (2,149,773,678)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	321,413,600 (254,600,000)	280,446,896 (280,446,896)	601,860,496 (535,046,896)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	43,091,677 (27,569,422)	85,073,858 (34,376,602)	128,165,535 (61,946,024)

Note : Figures in bracket represent previous year's figures.

b) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As on 31 st March 2013 (No. / Amount in Rs.)	As on 31 st March 2012 (No. / Amount in Rs.)
1	No of SPVs sponsored by the Company for Securitisation Transactions	2	1
2	As on March 31, 2013, total amount of securitised assets as per books of the SPVs sponsored by the Company	1,102,522,347	723,588,585
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		



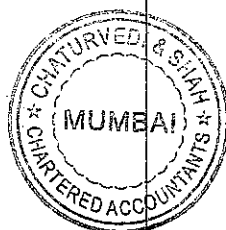
RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	66,813,600	-
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	254,600,000	254,600,000
	• Others	137,571,973	137,571,973
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As on 31 st March 2013 (No./ Amount in Rs.)	As on 31 st March 2012 (No./ Amount in Rs.)
1	No of Direct Assignments	8	7
2	Total amount of assigned assets as per books of the Assignor	4,729,683,533	6,400,865,061
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	11,49,00,157	-
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	280,446,896	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

31. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

32. Auditors' Remuneration :

(In Rupees)

Particulars	2012-13	2011-12
i) Audit Fees	600,000	300,000
ii) Tax Audit Fees	200,000	100,000
iii) Certification Fees	-	100,000
Total	800,000	500,000

33. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:
(In Rupees)

Particulars	2012-13	2011-12
i) Employer's Contribution to Provident Fund and LWF	7,057,489	6,984,461
ii) Employer's Contribution to Superannuation Fund	-	23,064
iii) Employer's Contribution to Pension Scheme	1,592,991	1,805,332
Total	8,650,480	8,812,857

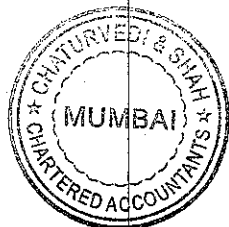
b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2012-13	2011-2012
I. Assumptions :		
Discount Rate	8.00%	8.50%
Rate of Return on Plan Assets	8.00%	8.50%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	4,402,671	2,625,588
Interest Cost	374,227	216,611
Current Service Cost	1,409,327	1,523,363
Benefit Paid	(926,448)	-
Actuarial (gain)/loss on obligations	1,942,426	37,110
Liability at the end of the Year	7,202,203	4,402,671
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	4,415,140	-
Expected Return on Plan Assets	375,287	-
Contributions	3,103,593	4,505,074
Benefit Paid	(926,448)	-
Actuarial gain/ (loss) on Plan Assets	(39,568)	(89,934)
Fair Value of Plan Assets at the end of the Year	6,928,004	4,415,140
Total Actuarial Gain/ (Loss) To Be Recognised	1,981,994	(127,043)
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	375,287	-
Actuarial gain/ (loss) on Plan Assets	(39,568)	(89,934)
Actual Return on Plan Assets	335,719	(89,934)
V. Amount Recognised in the Balance Sheet :		



RELIANCE HOME FINANCE LIMITED

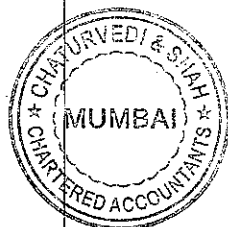
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Liability at the end of the Year	6,928,004	4,402,671
Fair Value of Plan Assets at the end of the Year	(7,202,203)	4,415,140
Difference	(274,199)	12,469
Amount Recognised in the Balance Sheet	(274,199)	12,469
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,409,327	1,523,363
Interest Cost	374,227	216,611
Expected Return on Plan Assets	(375,287)	-
Actuarial (Gain)/Loss	1,981,994	(127,043)
Expense Recognised in Statement of Profit & Loss	3,390,261	1,867,018
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	(12,469)	2,625,588
Expense as above	3,390,261	1,867,018
Employers Contribution	(3,103,593)	(4,505,074)
Amount Recognised in Balance Sheet	2,74,199	(12,469)
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	-
Experience adjustment on Plan Assets	(39,568)	(89,934)
Experience adjustment on Plan Liabilities	1,134,484	212,254

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2012-2013	2011-2012
I. Assumptions :		
Discount Rate	8.00%	8.50%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,397,227	2,712,195
Interest Cost	1,76,280	172,556
Current Service Cost	724,124	723,456
Benefit Paid	(646,801)	(822,904)
Actuarial (gain)/loss on obligations	175,886	(388,076)
PVO at the end of the Year	2,826,766	2,397,227
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	646,801	822,904
Benefit Paid	(646,801)	(822,904)
Actuarial gain/ (loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Contributions	646,801	822,904
Benefit Paid	(646,801)	(822,904)
Fair Value of plan Assets at end of year	-	-
Funded Status	(2,826,766)	(2,397,227)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	(175,886)	388,076
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-
Total Gain/(Loss) for the year	(175,886)	388,076
Actuarial gain/(Loss) recognized for the year	(175,886)	388,076
Unrecognised Actuarial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	724,124	723,456
Interest Cost	176,280	172,556
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	175,886	(388,076)
Expense Recognised in Statement of Profit & Loss	1,076,290	507,936
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	2,826,766	2,397,227
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(2,826,766)	(2,397,227)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,826,766)	(2,397,227)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	23,97,227	2,712,195
Expenses as above	1,076,290	507,936
Contribution paid	(646,801)	(822,904)
Closing Net Liability	2,826,766	2,397,227
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,826,766	2,397,227
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,826,766)	(2,397,227)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	175,886	(388,076)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

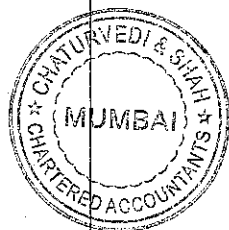
34. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

35. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship	Remark
Reliance Innoventures Private Limited	Ultimate Holding Company	
Reliance Capital Limited	Holding company	
Shri K. Suresh Kumar	Key Managerial Personnel	W.e.f. April 28, 2012
Shri K.V.Srinivasan	Key Managerial Personnel	Upto April 28, 2012



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

b) Transactions during the year with related parties

Particulars	(In Rupees)	
	2012-2013	2011-2012
i) With Holding Company:		
Share Capital		
Preference Share Capital issued during the year (Including Securities Premium)	-	250,000,000
Conversion of Preference shares into equity shares during the year	29,100,000	-
Bonus shares issued during the year	329,100,000	-
Balance as at the end of year (Equity & Preference other than Securities Premium)	658,200,000	329,100,000
Loans		
Assignment of Loan Taken	253,055,124	492,614,734
Purchase consideration paid	253,055,124	492,614,734
Assignment of Loan Given	-	7,034,907,193
Purchase Consideration received	-	7,034,907,193
Unamortised DSA Commission transferred from	750,750	1,596,221
Unamortised DSA Commission transferred to	-	18,826,713
Expenses		
Infrastructure Cost & Other Expenditures (Net of Recovery of Other Expenditures)	33,708,000	66,766,674
Management Fees	31,854,000	33,383,336
Other Expenses transferred under BTA	6,158,723	379,885
Interest Expense transferred under BTA	25,652,410	91,829,471
Income		
Interest & Other Income transferred under BTA	30,091,932	109,561,344
Dividend Paid		
Dividend on Preference Shares	2,856,000	-
ii) With Key Managerial Personnel :		
Loans outstanding as at March 31	10,626,543	5,500,000
Loans Repayments during the year	225,369	-
Interest Accrued on Loans and advances	42,506	-
Income		
Interest Income during the year	981,463	508,752
Expenses		
Managerial Remuneration	57,68,119	-

Note:

The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

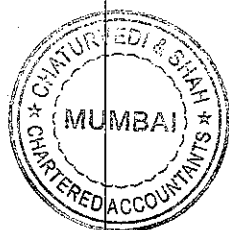
36. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

Particular	(In Rupees)	
	2012-13	2011-12
a) Amount used as the numerators		
Net Profit/(Loss) available for Equity shareholder	274,826,809	264,533,173
b) Weighted average number of equity shares (nos.)	64,528,438	62,910,000
c) Basic & Diluted Earnings Per Share (Rs.)	4.26	4.20

Note:

The weighted average number of equity shares for the year 2011-12 have been change on account of bonus shares issued by the Company during the year.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

37. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 is as follows:

(In Rupees)

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2013	Provision as at March 31, 2013	Outstanding Balance as at March 31, 2013	Provision as at March 31, 2013
Standard Asset	22,177,506,629 (23,097,511,427)	93,743,631 (96,325,958)	5,033,453,258 (405,087,344)	46,614,950 (5,220,289)
Sub-Standard Assets	87,245,123 (208,479,140)	13,453,085 (29,589,931)	- (-)	2,573,625 (-)
Doubtful Assets	253,738,118 (135,654,787)	69,620,986 (43,793,905)	478,500 (478,500)	1,695,313 (119,625)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

Note:

i) Provision for substandard assets lying in housing finance as well as Non Housing Finance loans & advances includes Rs.2,939,941 related to loans & advances, which were transferred under securitisation / assignment deals.

ii) Figures in bracket represent previous year's figures.

b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

During the year there is no penalty imposed by National Housing Bank.

38. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

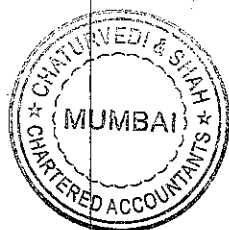
(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2013	As at March 31, 2012
CRAR (%)	17.55%	14.21%
CRAR - Tier I capital (%)	12.92%	13.70%
CRAR - Tier II capital (%)	4.63%	0.52%

(II) Exposure to real estate sector, both direct and indirect:

(In Rupees)

a)	Direct Exposure		As at March 31, 2013	As at March 31, 2012
	(i)	Residential Mortgage		
		Individual Housing Loan up to 15 lakhs	1,436,511,750	1,198,892,198
		Individual Housing Loan More than 15 lakhs	14,302,769,902	17,970,832,465
(ii)	Commercial Real Estate		659,706,537	20,417,403
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
	(a)	Residential	5,669,137	5,669,137
	(b)	Commercial	131,902,836	131,902,836
b)	Indirect Exposure			
	Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).			



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Notes:

- (i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.
- (ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

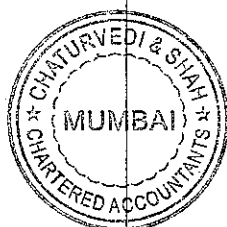
(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Year	Liabilities As at March 31, 2013		Assets As at March 31, 2013	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	- (-)	148,859,436 (-)	253,325,816 (73,287,784)	- (250,000,000)
Over 1 month to 2 months	- (-)	- (346,333,426)	258,309,701 (91,676,097)	- (-)
Over 2 month to 3 months	606,200,000 (200,000,000)	- (-)	261,601,904 (89,131,768)	- (-)
Over 3 month to 6 months	1,750,000,000 (250,000,000)	- (96,791,989)	740,173,542 (272,484,235)	- (-)
Over 6 month to 1 Year	1,956,200,000 (1,675,000,000)	95,307,632 (-)	1,145,997,569 (479,009,229)	- (-)
Over 1 year to 3 Year	11,882,491,797 (9,932,370,796)	250,000,000 (-)	2,464,949,920 (1,504,598,189)	54,877,575 (-)
Over 3 year to 5 Year	5,229,600,000 (7,991,717,929)	600,000,000 (-)	2,067,781,162 (1,640,125,402)	82,694,399 (-)
Over 5 Year to 7 years	- (500,000,000)	- (-)	2,475,498,597 (1,904,030,760)	- (137,571,973)
Over 7 Year to 10 years	- (-)	1,190,000,000 (-)	3,961,083,142 (3,313,145,881)	- (-)
Over 10 years	- (-)	- (-)	13,836,357,267 (14,406,218,392)	- (-)
Total	21,424,491,797 (20,549,088,725)	2,284,167,068 (443,125,415)	27,465,078,619 (23,773,707,737)	137,571,974 (387,571,973)

Notes:

- i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- ii) 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 for housing finance companies issued by NHB, 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. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Revised Schedule VI to the Companies Act, 1956.
- iii) Figures in bracket represent previous year's figures.
39. As on July 28, 2012, all the existing 29,10,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each were converted into equity shares. As per the terms & conditions of preference shares, the preference shareholders were entitled to receive accumulated dividend at the time of conversion resultants as on February 15, 2013 the Company has paid accumulated dividend amounting to Rs. 28,56,000 for the financial year 2009 - 10 and 2010 - 11 to the preference share holders.



RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

40. Disclosure of loans/advances and investments in its subsidiaries, associates etc. in terms of the Listing Agreement of Debt Securities with the Stock Exchanges. (As certified by the management)

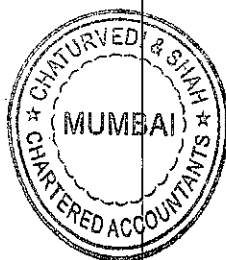
Particulars	Outstanding Balances		Maximum Balance Outstanding	
	As at March 31, 2013	As at March 31, 2012	2012-13	2011-12
i). Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii). Loans and advances in the nature of loans to associates	-	-	-	-
iii). Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years	-	-	-	-
b) No interest or interest below section 372A of the Companies Act, 1956	Not Applicable pursuant to provision of Section 372A(8)(a)(i) of the Companies Act, 1956			
iv). Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
v). Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.				

41. Contingent Liabilities/Commitments: (As certified by the management)

Particulars	(In Rupees)	
	As at March 31, 2013	As at March 31, 2012
Contingent Liabilities :		
a. Arrears of Dividend on 8% Compulsory Convertible Preference Shares of Rs. 10 each. 2009 Issue [2 nd year of arrears (Previous year 1 st year of arrears)]	-	1,456,000
2010 Issue [1 st year of arrears (Previous year Nil year of arrears)]	-	1,400,000
b. Case against the Company not acknowledge as Debts	94,861	-
Commitments :		
a. Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	1,104,075
b. Undisbursed amount of Housing loan sanctioned.	3,239,199,117	2,277,939,997

42. Foreign Currency Expenditures:

Particulars	(In Rupees)	
	2012-13	2011-12
License Renewal fees	43,639	-

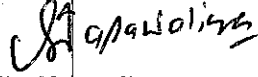


RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013



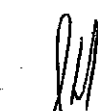
43. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

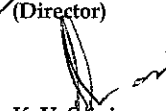
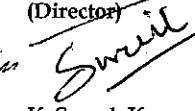
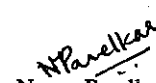
As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No:10172W



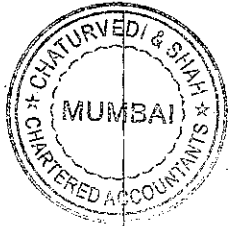
Vijay Napawaliya
Partner
Membership No: 109859
Mumbai
Date: April 17, 2013

For and on behalf of the Board

 Gautam Doshi (Director)	 Padmanabh Vora (Director)	 Soumen Ghosh (Director)
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 K. V. Srinivasan (Director)	 K. Suresh Kumar (Manager)	 Neena Parelkar (Company Secretary)
--	---	--

Mumbai
Date: April 17, 2013



Reliance Home Finance Limited

Directors' Report

To The Members,
Reliance Home Finance Limited

Your Directors have pleasure in presenting the 4th Annual Report, together with the audited Statement of Accounts of the Company for the financial year ended March 31, 2012.

Financial Results:

A snapshot of the financial performance of the Company for the Financial Year ended March 31, 2012 is as under:

(Rupees in Crore)

Particulars	Amount	Amount
	FY 2011-12	FY 2010-11
Gross Income	339.16	323.76
Gross Profit /(Loss)	39.82	62.35
Less: Depreciation	0.16	0.16
Profit before tax	39.66	62.19
Provision for Taxation	13.21	20.99
Net Profit	26.45	41.20
Add: Profit / (Loss) brought forward from the previous year	37.00	4.04
Profit available for Appropriation	63.45	45.24
Transfer to Special Reserve Fund	5.29	8.24
Balance carried forward	58.16	37.00

Financial Performance and Review of Business:

The Company's gross income for the financial year ended March 31, 2012 increased to Rs. 339.16 Crore, from Rs. 323.76 Crore in the previous year, registering a growth of 4.76 per cent. As compared to previous year, the cost of funds of the company increased by 22.14% .Further, during the year under review, the Company had to make an additional provision on standard assets to the extent of Rs. 9.73 Crore as compared to previous year due to application of standard asset provisioning on individual Home Loans as per the amendment in the HFC (NHB) Directions, 2010. The gross profit for the year therefore reduced to Rs.39.65 Crore. Depreciation remained steady at Rs. 0.16 Crore. The provision for taxation during the year was Rs. 13.21 Crore. The net profit for the year was Rs.26.45 Crore. An amount of Rs. 5.29 Crore was transferred to the Special Reserve Fund pursuant to section 29-C of the National Housing Bank Act, 1987, during the year under review.

Resources and Liquidity:

During the year under review, the Company has raised Rs. 400 Crore as Term Loans from various Banks and repaid the Cash Credit facility of Rs. 49 Crore it had availed last year. Out of Rs. 221.16 Crore of Commercial Papers the company had issued last year, the balance outstanding as on March 31, 2012 is Rs. 44.31 Crore. The Company's debt equity ratio as on March 31, 2012, stands at a level of 5.33:1 against 6.28:1 last year.

Reliance Home Finance Limited

Directors' Report

Deposits:

The Company is registered with National Housing Bank as a Housing Finance Institution not accepting public deposits and hence, has not accepted any public deposits during the year.

Conversion of the Company into Public Limited Company:

The Company, at the Extra-ordinary General Meeting of the shareholders held on March 2, 2012 had proposed to convert the Company into a Public Limited Company. The Company complied with the requisite statutory provisions and the Registrar of Companies has issued a fresh Certificate of Incorporation on March 27, 2012.

Variation of Dividend rights and change in Capital structure

The Company during the year under review has altered, varied and modified the rights attached to the Preference shares issued by it on March 30, 2009 and March 25, 2010. Further all the allotted equity shares of the Company were converted into equity shares having voting rights only. The variation was done to boost the ploughing back of profits which would be beneficial for the Company.

During the year under review, the Company has issued 2,50,000 0% Optionally Convertible Preference shares of face value of Rs. 10/- each, optionally convertible on or before 6 years from the date of allotment.

Directors:

Shri Padmanabh P. Vora, Director of the Company, who retires by rotation as per the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri K.V.Srinivasan, the Manager and CEO of the Company has resigned with effect from the close of business hours on April 27, 2012, subject to approval by the shareholders at the ensuing Annual General Meeting. He has been appointed as an additional director of the Company with effect from April 28, 2012. He will hold office till the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing his candidature, for the office of Director.

Shri V. R. Mohan who was appointed as a Director in the last Annual General Meeting has resigned from the Board with effect from April 28, 2012.

Shri K. Suresh Kumar has been appointed as the Manager of the Company with effect from April 28, 2012, subject to approval by the shareholders at the ensuing Annual General Meeting.

Reliance Home Finance Limited

Directors' Report

Audit Committee:

As per the requirements of section 292A of the Companies Act, 1956, the Company has an Audit Committee comprising of the following Directors:

Shri Soumen Ghosh
Shri Gautam B Doshi
Shri Padmanabh P. Vora

During the Financial Year 2011-12, the Audit Committee of the Board met 4 times, once in every quarter.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that: -

- (i) in the preparation of the accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012, and of the profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

Auditors and Auditors' Report:

M/s Chaturvedi & Shah, Chartered Accountants, hold office as Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letters from M/s Chaturvedi & Shah, Chartered Accountants to the effect that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

The notes to the accounts referred to in the Auditors' Report are self explanatory.

Reliance Home Finance Limited

Directors' Report

Particulars of Employees:

The provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are not applicable as no employee was in receipt of remuneration in excess of the limits set out under the said section.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (2) Foreign Exchange earnings and outgo – Nil

Acknowledgements:

Your Directors take this opportunity to thank the National Housing Bank and other regulatory authorities, Company's Bankers and Financial Institutions, shareholders for their continued support and assistance during the period under review.

The Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

For and on behalf of the Board of Directors


K.V.Srinivasan
Director


Soumen Ghosh
Director

April 28, 2012



Registered Office:
570, Rectifier House,
3rd Floor, Naigaum Cross
Road,
Wadala, Mumbai - 400 031

AUDITORS' REPORT

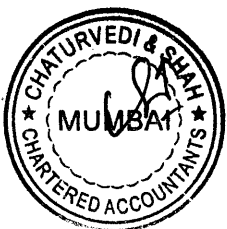
To
The Members,
Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

We have audited the attached Balance Sheet of **Reliance Home Finance Limited** ('the Company') as at March 31, 2012 the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amended) Order 2004, (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that: -
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

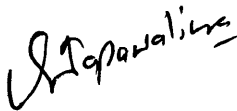
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: 2 :

- d) in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) on the basis of written representations received from the directors as at March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India: -
- (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (ii) in so far as it relates to the Statement of Profit and Loss, "Profit" of the Company for the year ended on that date; and
- (iii) in so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W


Vijay Napawaliya
Partner
Membership No. 109859



Mumbai
Dated: April 28, 2012

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date to the members of Reliance Home Finance Limited ('the Company') on the financial statement for the year ended as on March 31, 2012 we report that:

- (i) The nature of the Company's business/ activities during the year have been such that, clause (ii), (viii) & (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) In respect of its fixed assets: -
 - (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The Company has a program of physical verification of its fixed assets by which all fixed assets has been verified during the year and no discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) In our opinion, and according to the information and explanations given to us, the Company has not disposed off any fixed assets during the year.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loan secured/unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clauses (iii) (a) to (iii)(g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the year the Company did not undertake any activities of purchase of inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to information and explanations given to us, there are no transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangement does not arise.



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: 2 :

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public hence directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable.
- (vii) In our opinion, the Company has an internal audit system, commensurate with its size and nature of its business.
- (viii) In respect of statutory dues:
- (a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Investor Education Protection Fund, Income-tax, Sales-tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, except in case of Professional Tax, in which case there are few delays in payment of the said due. According to the information and explanations given to us, there are no undisputed amounts payable outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) The Company neither has accumulated losses nor it has incurred any cash losses during the current financial year and in the immediate preceding financial year.
- (x) Based on our audit procedures and the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the Company has maintained the adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties, . The Company has not granted loans and advances by way of pledge of shares and debentures during the year.
- (xii) The Company has maintained proper records of transactions and contract in respect of trading in units of mutual fund and other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xiii) The Company has not given any guarantees for loans taken by others from banks or financial institutions.

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: 3 :

- (xiv) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xv) According to information and explanations given to us and on the basis of review of the maturity pattern of Assets and Liabilities and management's estimate of expected preclosure of the loans given in next one year, liabilities maturing in next one year are not in excess of the assets of similar maturity.
- (xvi) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) During the year the Company has not issued any secured debentures, and therefore the question of creation of securities and /or charges does not arise.
- (xviii) The Company has not raised any money by way of public issue during the year.
- (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No: 101720W

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership No. 109859

Mumbai
Dated: April 28, 2012



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Balance Sheet as at March 31, 2012

Particulars	Note No.	(Rupees)	
		As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES :			
1 Shareholders' Funds			
(a) Share Capital	3	329,100,000	326,600,000
(b) Reserves and Surplus	4	3,608,498,951	3,096,465,778
2 Non-current liabilities			
(a) Long-term borrowings	5	18,424,088,725	16,810,000,000
(b) Deferred tax liabilities (Net)	6	38,000,000	34,525,000
(c) Long-term provisions	7	99,706,068	27,129,055
3 Current liabilities			
(a) Short-term borrowings	8	443,125,415	2,701,620,723
(b) Trade payables	9	-	204,324
(c) Other current liabilities	10	2,773,141,540	2,634,868,534
(d) Short-term provisions	11	4,237,406	2,176,603
TOTAL		25,719,898,105	25,633,590,017
II. ASSETS :			
1 Non-current assets			
(a) Fixed Assets	12		
(i) Tangible Assets		655,200	14,457
(ii) Intangible Assets		3,377,965	4,959,894
(b) Non Current Investments	13	137,571,973	137,571,973
(c) Long-term loans and advances	14	22,806,819,318	23,355,714,833
(d) Other non-current assets	15	785,473,723	421,564,352
2 Current assets			
(a) Current Investments	16	250,000,000	-
(b) Trade receivables	17	3,325,085	6,577,439
(c) Cash & Cash Equivalents	18	495,499,492	86,991,053
(d) Short-term loans and advances	19	1,013,934,855	1,437,992,483
(e) Other current assets	20	223,240,494	182,203,533
TOTAL		25,719,898,105	25,633,590,017

See accompanying notes to the financial statements '1-41

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya
Vijay Napawaliya
Partner
Membership No. 109859



Mumbai
Date: April 28, 2012

For and on behalf of the Board

K.V. Srinivasan
K.V. Srinivasan
(Director)

Soumen Ghosh
Soumen Ghosh
(Director)

Bhakti Bagadia
Bhakti Bagadia
(Company Secretary)



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)


Statement of Profit and Loss for the year ended March 31, 2012

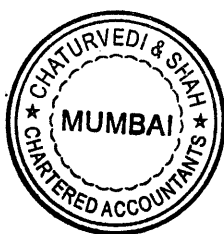
		(Rupees)	
Particulars	Note No.	2011-12	2010-11
REVENUE			
(I) Revenue from operations	21	3,391,368,141	3,228,562,741
(II) Other Income	22	182,124	9,035,068
(III) TOTAL REVENUE (I+II)		3,391,550,265	3,237,597,809
(IV) EXPENSES			
Employee Benefits expense	23	256,656,775	278,476,136
Finance Cost	24	2,325,249,381	1,903,800,235
Depreciation and Amortisation	12	1,606,386	1,585,065
Other expenses	25	411,429,550	431,741,755
TOTAL EXPENSES		2,994,942,092	2,615,603,191
(V) PROFIT BEFORE TAX (III-IV)		396,608,173	621,994,618
(VI) TAX EXPENSE :			
Current Tax		128,600,000	179,000,000
Deferred Tax		3,475,000	30,912,440
(VII) PROFIT AFTER TAX (V-VI)		264,533,173	412,082,178
(VIII) EARNING PER EQUITY SHARE :			
a) Basic	35	8.82	13.67
b) Diluted		8.82	13.67

See accompanying notes to the financial statements '1-41


As per our report of even date


For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. : 101720W



Vijay Napawaliya
Partner
Membership No. 109859



For and on behalf of the Board


K.V. Srinivasan
(Director)


Soumen Ghosh
(Director)


Bhakti Bagadia
(Company Secretary)

Mumbai
Date: April 28, 2012



Cash Flow Statement for the year ended March 31, 2012

(in Rupees)

Particulars	2011-2012	2010-2011
A. Cash Flow from Operating Activities		
Net Profit Before Tax	396,608,173	621,994,618
Adjusted for		
Depreciation and Amortisation	1,606,386	1,585,065
Provision for Standard Debts	77,578,372	9,791,319
Provision for NPA & Doubtful debts	17,849,318	53,477,999
Bad Debts Written Off	13,900,846	8,131,468
(Profit)/ Loss on sale of Investments	-	(1,230,256)
Discount on Commercial Papers	75,333,892	143,861,356
Amortised DSA Commission	25,076,734	32,878,671
Amortised Brokerage Commission	2,809,916	916,667
Dividend Income	-	(7,787,215)
Operating Profit/(Loss) before Working Capital Changes	610,763,637	863,619,692
Adjusted for		
Proceeds/(Repayments) from issue of Commercial Papers (Net)	(1,843,829,200)	1,070,144,700
Repayments of Long term Borrowing	(1,450,911,275)	(200,000,000)
Proceeds from Long term Borrowing	4,000,000,000	4,700,000,000
Proceeds/(Repayments) from Short Term Borrowing (Net)	(490,000,000)	490,000,000
Trade Receivable & Loans and advances	800,815,134	(7,202,931,561)
Trade Payables and Liabilities	(797,253,221)	432,390,939
Cash Generated from Operation	829,585,075	153,223,770
Taxes Paid	(139,964,540)	(198,454,106)
Net Cash from / (used in) Operating Activities	689,620,535	(45,230,336)
B. Cash Flow from Investing Activities		
Investment in Fixed Deposits	(280,446,896)	(254,600,000)
Purchase of Fixed Asset	(665,200)	(800)
Purchase of Investments	(250,000,000)	(4,557,571,973)
Sale of Investments	-	4,429,017,473
Net Cash from / (used in) Investing Activities	(531,112,096)	(383,155,300)
C. Cash Flow from Financing Activities		
Proceeds from issue of Preference Share Capital including Securities Premium	250,000,000	-
Net Cash from / (used in) Financing Activities	250,000,000	-
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	408,508,439	(428,385,636)
Opening Balance of Cash and Cash Equivalents	86,991,053	515,376,689
Closing Balance of Cash and Cash Equivalents	495,499,492	86,991,053

Note :

1. The Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No. : 101720W

Vijay Napawaliya

Vijay Napawaliya
Partner
Membership .No. 109859



For and on behalf of the Board

K.V. Srinivasan
K.V. Srinivasan
(Director)

Soumen Ghosh
Soumen Ghosh
(Director)

Bhakti Bagadia
Bhakti Bagadia
(Company Secretary)



Mumbai
Date: April 28, 2012

Notes to the financial statements as at March 31, 2012

1 Background

The Company is registered with National Housing Bank as Housing Financial Company without accepting public deposit. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as notified by the Companies (Accounting standards) Rules, 2006 and relevant provisions of the Companies Act, 1956, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c Revenue Recognition

i) Interest Income

Repayment of Housing Loan is by way of Equated Monthly Installments (EMI) comprising of principal and interest where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest Income on performing assets is recognized on accrual basis and on non-performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee income

Loan processing fee income is recognised as and when it becomes due.

iv) Income from assignment / securitization

a) In case of assignment of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned loans. On de-recognition, the difference between book value of the receivables assigned and consideration received, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment.

b) In case of securitization of loans, the transferred loans are de-recognised and gains/losses are accounted for only if the company surrenders the rights to benefits specified in the underlying securitized loan contract.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

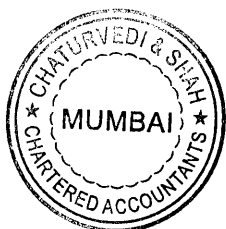
e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

(i) Depreciation on Tangible assets are provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(ii) Intangible assets are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.



Notes to the financial statements as at March 31, 2012

g Investments

Investments are classified into current investments and long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at the Net Asset Value declared by Mutual Funds in respect of each particular scheme as per the guidelines issued by the NHB.

h Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

i Provision for Standard Assets, Non Performing Assets(NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

j Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

k Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

l Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.



Notes to the financial statements as at March 31, 2012

m Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

n Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

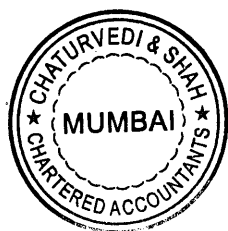
o Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

p Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

	As at March 31, 2012	As at March 31, 2011
(Rupees)		
3. Share Capital		
a) Authorised:		
50,000,000 Equity Shares of Rs. 10 each (March 31, 2011 : 50,000,000 Equity Shares of Rs. 10 each)	500,000,000	500,000,000
75,000,000 Preference Shares of Rs. 10 each (March 31, 2011 : 75,000,000 Preference Shares of Rs. 10 each)	750,000,000	750,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
b) Issued, Subscribed & Paid up		
30,000,000 Equity Shares of Rs. 10 each fully paid (March 31, 2011 : 30,000,000 Equity Shares of Rs. 10 each)	300,000,000	300,000,000
- 8% Compulsory Convertible Preference Shares of Rs. 10 each fully paid (March 31, 2011 : 2,660,000 8% Compulsory Convertible Preference Shares of Rs. 10 each)	-	26,600,000
2,910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each fully paid (March 31, 2011 : Nil 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each)	29,100,000	-
	<u>329,100,000</u>	<u>326,600,000</u>
c) Par Value per Share	Amount in Rs.	Amount in Rs.
Equity	10	10
Preference	10	10



Notes to the financial statements as at March 31, 2012

d) Reconciliation of Issued, subscribed and fully paid up Share Capital

	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares				
Opening Balance	30,000,000	300,000,000	30,000,000	300,000,000
Addition during the year	-	-	-	-
Reduction during the year	-	-	-	-
Closing Balance	30,000,000	300,000,000	30,000,000	300,000,000
8% Compulsory Convertible Preference Shares				
Opening Balance	2,660,000	26,600,000	2,660,000	26,600,000
Add : Issued during the year	-	-	-	-
Less : Converted into Optionally Convertible	2,660,000	26,600,000	-	-
Closing Balance	-	-	2,660,000	26,600,000
0% Optionally Convertible / Redeemable Preference Shares				
Opening Balance	-	-	-	-
Add : Converted from Compulsory Convertible	2,660,000	26,600,000	-	-
Add : Issued during the year	250,000	2,500,000	-	-
Closing Balance	2,910,000	29,100,000	-	-

e) Rights, Preferences and Restrictions :

1 In case of Equity Shares

Voting Rights :

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend.

2 In case of Preference Shares :

Voting Rights :

Preference Share holders have a right to vote only on resolutions which directly affect the rights attached to Preference Shares.

3 Dividend :

The Company has amended its Articles of Association effective from April 1,2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividends on any of its share capital.

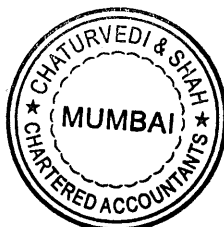
f) Repayment & Conversion Ratio

- 910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each are optionally convertible on or before 6 years from the date of allotment i.e. March 30, 2009.
- 17,50,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each are optionally convertible on or before 6 years from the date of allotment i.e. March 25, 2010.
- 2,50,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each are optionally convertible on or before 6 years from the date of allotment i.e. June 29,2011.
- 8% Compulsory Convertible Preference Shares issued on March 30, 2009 & March 25, 2010 have been converted in to 0% optionally convertible /redeemable Preference Shares w.e.f. 1st April, 2011.

g) Terms for Conversion of Preference Shares

(a) Each of the Preference Shares shall be converted into Equity Share of the Company in such fraction or number(s) and in such manner as may be decided by the Board of Directors at their sole discretion, in one or more tranches, at any time on or before the expiry of 6 (Six) years from the date of issue of the Preference Shares by giving a notice of 1(one) month in writing to the preference shareholders and upon such conversion shall rank pari-passu in all respects with the existing equity shares of the Company.

(b)At the time of conversion of each of the Preference Shares into Equity Share of the Company is proposed by the Board, an option would be given to the preference shareholder to redeem the preference share at a premium to be decided by the Board and intimated to the preference shareholder by giving a notice of 1(one) month in writing.



Notes to the financial statements as at March 31, 2012

h) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

		As at March 31, 2012		As at March 31, 2011	
	%	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares	100%	30,000,000	300,000,000	30,000,000	300,000,000
(Out of the above equity shares, 20 equity shares (Previous year 20 equity shares) are held jointly by Reliance Capital Ltd. and its nominees.)					
0% Optionally Convertible / Redeemable Preference Shares	100%	2,910,000	29,100,000	2,660,000	26,600,000
(All the above preference shares are held by Reliance Capital Ltd.)					

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
4. Reserves and Surplus				
a) Securities Premium Account				
As Per Last Balance Sheet		2,633,400,000		2,633,400,000
Add: On Issue of 0% Optionally Convertible / Redeemable Preference		247,500,000		-
			2,880,900,000	2,633,400,000
b) Special Reserves #				
As Per Last Balance Sheet		93,048,320		10,631,885
Add: Transfer from Surplus in Statement of Profit & Loss		52,879,373		82,416,435
			145,927,693	93,048,320
c) Surplus in Statement of Profit & Loss				
As Per Last Balance Sheet		370,017,458		40,351,715
Add: Transfer from Statement of Profit & Loss		264,533,173		412,082,178
Less : Transfere to Special Reserve		52,879,373		82,416,435
			581,671,258	370,017,458
			<u>3,608,498,951</u>	<u>3,096,465,778</u>

(in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and Section 29C of National Housing Bank Act, 1987)

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
5. Long-term borrowings				
Term Loans from Banks				
- Secured (refer note 26)		18,424,088,725		16,810,000,000
- Unsecured		-		-
		18,424,088,725		16,810,000,000
		<u>18,424,088,725</u>		<u>16,810,000,000</u>



Notes to the financial statements as at March 31, 2012

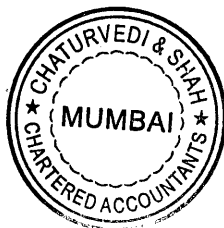
	As at March 31, 2012	As at March 31, 2011
(Rupees)		
6. Deferred Tax Liabilities		
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) Deferred Tax Liability		
Related to Fixed Assets	967,185	1,227,177
Unamortised Expenditure	54,675,715	41,083,586
Special Reserve	42,170,657	20,927,703
Total	<u>97,813,557</u>	<u>63,238,466</u>
b) Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	(1,667,497)	(3,191,667)
Provision for NPA/Diminution in the value of Assets	(58,146,060)	(25,521,799)
Total	<u>(59,813,557)</u>	<u>(28,713,466)</u>
Net Deferred Tax Liabilities/(Asset) (a) - (b)	<u>38,000,000</u>	<u>34,525,000</u>

	As at March 31, 2012	As at March 31, 2011
(Rupees)		
7. Long Term Provisions		
a) Provision for Employees Benifits		
Leave Encashment	2,347,138	2,661,074
Gratuity	-	2,625,588
(refer note 32 (b))	<u>2,347,138</u>	<u>5,286,662</u>
b) Provision for Standard Debts	97,358,930	21,842,393
	<u>99,706,068</u>	<u>27,129,055</u>

	As at March 31, 2012	As at March 31, 2011
(Rupees)		
8. Short-term borrowings		
a) From Banks		
- Cash credit facilities - Secured	-	490,000,000
		490,000,000
b) From Others		
- Commercial Papers - Unsecured	443,125,415	2,211,620,723
	<u>443,125,415</u>	<u>2,701,620,723</u>

Notes :

- Cash Credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 550,000,000.
- In respect of Commercial Papers referred above, maximum amount outstanding during the year was Rs.1,546,982,289 (Previous year Rs. 2,645,394,061).



Notes to the financial statements as at March 31, 2012

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
9. Trade Payables		
Due to Micro, Medium & Small (Refer note below)	-	-
Due to Others	-	204,324
	<u>-</u>	<u>204,324</u>
	<u>-</u>	<u>204,324</u>

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
10 Other Current Liabilities		
a) Current maturities of long term debts - Secured (refer note 26)	2,125,000,000	1,190,000,000
b) Interest accrued and due on borrowings	321,903	-
c) Advance from Customers	73,191,923	73,573,570
d) Other Payables		
TDS Payable	3,853,039	9,838,998
Statutory Dues related to Employees Benefits	1,234,528	1,216,314
Other Liabilities	52,605,380	69,408,518
Payable under Securitisation / Assignment	63,583,506	47,751,629
Temporary Book Overdraft (Refer note below)	453,351,261	1,243,079,505
Service Tax Payable	-	-
	<u>574,627,714</u>	<u>1,371,294,964</u>
	<u>2,773,141,540</u>	<u>2,634,868,534</u>

Note:

Temporary Book Overdraft of Rs. 453,351,261 (Previous Year Rs.1,243,079,505) represents cheques issued towards disbursements to borrowers for Rs. 438,509,773 (Previous Year Rs.1,110,166,495) and cheques issued for payment of expenses of Rs. 14,841,488 (Previous Year Rs.132,913,010), but not encashed as at March 31, 2012.

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
11. Short Term Provisions		
a) Provision for Employees Benefits		
Leave Encashment (refer note 32 (b))	50,089	51,121
Gratuity	-	-
	<u>50,089</u>	<u>51,121</u>
b) Provision for Others - Standard Debts	4,187,317	21 25 482
	<u>4,237,406</u>	<u>2,176,603</u>



Reliance Home Finance Ltd
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

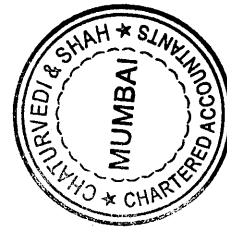
Note "12"
Fixed Assets

Sr. No.	Particulars	Gross Block			Depreciation		Net Block			
		As at April,1 2011	Addition	Deletion	As at March 31, 2012	Upto April 1,2011	Depreciation	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
(i)	Tangible Assets									
1	Office Equipments	18,300	-	-	18,300	3,843	2,011	5,854	12,446	14,457
2	Buildings office	-	665,200	-	665,200	-	22,446	22,446	642,754	-
	Total	18,300	665,200	-	683,500	3,843	24,457	28,300	655,200	14,457
	Previous Year	17,500	800	-	18,300	707	3,136	3,843	14,457	

(ii)	Intangible Assets									
	Computer Software	7,909,647	-	-	7,909,647	2,949,753	1,581,929	4,531,682	3,377,965	4,959,894
	Total	7,909,647	-	-	7,909,647	2,949,753	1,581,929	4,531,682	3,377,965	4,959,894
	Previous Year	7,909,647	-	-	7,909,647	1,367,824	1,581,929	2,949,753	4,959,894	

Note :

- 1 In respect of Intangible Assets :
 - a) It is other than internally generated.
 - b) Balance useful life of 2 years. (Previous Years 3 years)



Notes to the financial statements as at March 31, 2012

Note "13"

	Face Value/ Issue Price	Quantity		Value	
		As at March 31, 2012	As at March 31, 2011	March 31, 2012	As at March 31, 2011
Non Current Investments					
Other Investments - Unquoted, fully paid-up					
Pass through Certificates					
Series A2 FTCs of ILSS 4 Trust 2011	1 05 82 460	13	13	13 75 71 973	13 75 71 973
				<u>13 75 71 973</u>	<u>13 75 71 973</u>

Notes :

1 The aggregate value of investments:

	As at March 31, 2012		As at March 31, 2011	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	13 75 71 973	-	13 75 71 973	-
TOTAL	<u>13 75 71 973</u>	<u>-</u>	<u>13 75 71 973</u>	<u>-</u>

2 The aggregate provision for diminution in the value of investments:

	As at March 31, 2012	As at March 31, 2011
Quoted	-	-
Unquoted	-	-
TOTAL	<u>-</u>	<u>-</u>

3 Basis of Valuation

As at March 31, 2012	As at March 31, 2011
at cost	at cost



Notes to the financial statements as at March 31, 2012

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
14. Long Term Loans and Advances		
a) Capital Advances (Unsecured)	1,104,075	-
b) Security Deposits (Unsecured)	5,000	103,650
c) Loans (Secured)		
(i) Considered Good		
Housing loans :		
Individuals	18,306,343,240	16,917,527,086
Corporate Bodies	<u>3,804,179,070</u>	<u>2,987,848,509</u>
	22,110,522,310	19,905,375,595
Commercial loans	386,487,348	3,131,513,144
(ii) Considered Doubtful		
Housing loans :		
Individuals	329,204,554	293,380,853
Corporate Bodies	<u>6,620,002</u>	<u>25,537,381</u>
	335,824,556	318,918,234
Less: Provision for NPA & Doubtful Debts	<u>69,230,655</u>	<u>45,777,553</u>
	266,593,901	273,140,681
Commercial loans	467,289	4,852,091
Less: Provision for NPA & Doubtful Debts	<u>116,822</u>	<u>485,209</u>
	350,467	4,366,882
d) Installments Due (Secured) considered doubtful		
Principal Overdue	8,320,583	6,313,949
Less: Provision for NPA & Doubtful Debts	<u>4,155,984</u>	<u>1,209,987</u>
	4,164,599	5,103,962
e) Balance with Service Tax Authorities	533,239	10,417,079
f) Taxes paid	37,058,379	25,693,840
(Net of Income tax provision Rs. 322,700,000 (Previous year Rs. 194,100,000))		
	<u>22,806,819,318</u>	<u>23,355,714,833</u>

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
15 Other Non Current Assets		
a) Receivable from Trustee under Securitisation (Secured)	117,834,515	60,995,824
b) Fixed Deposits with banks (Maturity > 12 months) (kept as credit enhancement towards securitisation/assignment)	535,046,896	254,600,000
c) Unamortised Expenditure		
(i) Unamortised DSA Commission	118,597,216	31,397,609
Add: Incurred During the Year	63,959,854	120,078,278
Less: Amortised During the year	<u>25,076,734</u>	<u>32,878,671</u>
	157,480,336	118,597,216
Less: to be amortised over the next one year	<u>28,837,570</u>	<u>16,512,022</u>
	128,642,766	102,085,194
(ii) Unamortised Brokerage on Borrowing	5,083,333	-
Add: Incurred during the Year	48,45,372	6,000,000
Less: Amortised during the year	<u>2,809,916</u>	<u>916,667</u>
	7,118,789	5,083,333
Less: to be amortised over the next one year	<u>3,169,243</u>	<u>1,200,000</u>
	3,949,546	3,883,333
	<u>785,473,723</u>	<u>421,564,351</u>



Notes to the financial statements as at March 31, 2012

Note "16"

	Face Value / Issue Price	Quantity		Value	
		As at March 31, 2012	As at March 31, 2011	March 31, 2012	As at March 31, 2011
Current Investments					
Other Investments - Unquoted, fully paid-up					
Mutual Funds					
Reliance Liquidity Fund -Growth Fund	10	1 54 79 876	-	25 00 00 000	-
				<u>25 00 00 000</u>	<u>-</u>

Notes :

1 The aggregate value of investments:

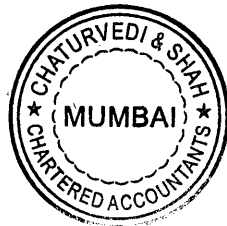
	As at March 31, 2012		As at March 31, 2011	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	25 00 00 000	-	-	-
TOTAL	<u>25 00 00 000</u>	<u>-</u>	<u>-</u>	<u>-</u>

2 The aggregate provision for diminution in the value of investments:

	As at March 31, 2012	As at March 31, 2011
Quoted	-	-
Unquoted	-	-
TOTAL	<u>-</u>	<u>-</u>

3 Basis of Valuation

As at March 31, 2012	As at March 31, 2011
at cost	at cost



Notes to the financial statements as at March 31, 2012

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
17. Trade Receivables		
a) Secured Considered Good	-	-
b) Unsecured Considered Good	3,325,085	-
c) Unsecured Doubtful	-	27,17,342
Less: Provision Doubtful Debts	-	2,717,342
d) Outstanding for a period exceeding six months from the	-	9,251,864
Less: Provision Doubtful Debts	-	2,674,425
	-	6,577,439
	<u>3,325,085</u>	<u>6,577,439</u>

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
18. Cash & Cash Equivalents		
Balance with the Banks - in Current Accounts	495,371,281	86,972,953
Cash on hand	128,211	18,100
	<u>495,499,492</u>	<u>86,991,053</u>

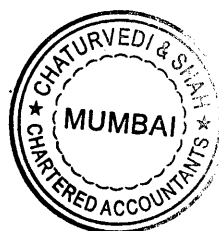
	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
19. Short-term loans and advances		
a) Loans repayments within next 12 months (Secured)		
Considered Good		
Housing loans :		
Individuals	502,950,438	571,344,700
Corporate Bodies	460,989,786	697,274,390
	96,39,40,224	126,86,19,090
Commercial loans	18,599,996	153,539,514
b) Installments Due (Secured) considered good	23,048,893	12,856,484
c) Prepaid expenses (Unsecured)	1,859,478	533,300
d) Sundry Advances (Unsecured)	6,486,264	2,444,095
	<u>1,013,934,855</u>	<u>1,437,992,483</u>

	(Rupees)	
	As at March 31, 2012	As at March 31, 2011
20. Other Current Assets		
a) Interest Accrued on		
Investments	656,613	541,251
Fixed Deposits	3,893,510	2,311,099
Loans and advances	186,683,558	161,639,161
	191,233,681	164,491,511
b) Unamortised Expenditure		
(To the Extent to be amortised over the next year)		
Unamortised DSA Commission	28,837,570	16,512,022
Unamortised Brokerage on Borrowing	3,169,243	1,200,000
	32,006,813	17,712,022
	<u>223,240,494</u>	<u>182,203,533</u>



Notes to the financial statements as at March 31, 2012

	(Rupees)	
	2011-12	2010-11
21. Revenue from operations		
a) Interest Income		
Interest On:		
Housing and Other Loans	3,146,433,446	2,941,893,051
Fixed Deposit	23,698,446	12,270,973
Long term Investments	<u>13,362,150</u>	<u>7,363,221</u>
	3,183,494,042	2,961,527,245
b) Other Financial Income		
Processing Fee Income	143,956,511	140,510,173
Foreclosure & Other Operating Charges	52,557,860	101,408,573
Brokerage Commission on property solution	<u>32,770,760</u>	<u>49,473,218</u>
	229,285,131	291,391,964
Less : Service tax recovered	<u>21,411,032</u>	<u>24,356,468</u>
	207,874,099	267,035,496
	<u><u>3,391,368,141</u></u>	<u><u>3,228,562,741</u></u>
		(Rupees)
	2011-12	2010-11
22. Other Income		
a) Dividend Income on Current Investments	-	7,787,215
b) Profit on Sale of Current Investments (Net)	-	1,230,256
c) Interest on Income tax refund	182,124	-
d) Miscellaneous Income	-	17,597
	<u>182,124</u>	<u>9,035,068</u>
		(Rupees)
	2011-12	2010-11
23. Employee Benefits Expense		
Payments to and Provision for Employees		
- Salary & Bonus etc	235,164,682	252,890,571
- Contribution to Provident fund and other Funds	10,679,875	6,787,583
- Staff Welfare & other Amenities	<u>10,812,218</u>	<u>18,797,982</u>
	256,656,775	278,476,136
		(Rupees)
	2011-12	2010-11
24. Finance Cost		
a) Interest Expense		
Term Loan From Banks	2,118,136,336	1,514,468,556
Cash Credit from Banks	34,852,120	4,980,345
Non Convertible Debentures	-	80,000
Body Corporates	<u>91,829,471</u>	<u>237,951,644</u>
	2,244,817,927	1,757,480,545
b) Other Borrowing Cost		
Amortised Brokerage (Refer Note"15 (c)(ii)")	2,809,916	916,667
Discount on Commercial Paper	75,333,892	143,861,356
Processing Charges	<u>2,287,646</u>	<u>1,541,667</u>
	80,431,454	146,319,690
	<u><u>2,325,249,381</u></u>	<u><u>1,903,800,235</u></u>



Notes to the financial statements as at March 31, 2012

	2011-12	2010-11
(Rupees)		
25. Other expenses		
Auditor's Remuneration	500,000	500,000
Bank Charges	1,160,322	1,056,005
Credit Cost	7,731,090	10,506,362
Collection Cost	819,269	3,335,139
Directors' Sitting Fees	160,000	320,000
Amortised DSA Commission (refer note "15 (c)(i)")	25,076,734	32,878,671
Electricity	2,720,967	5,569,798
Infrastructure Cost (refer note below)	13,776,474	6,048,761
Lease Rental	29,695,116	56,413,642
Legal & Professional Fees	47,083,032	52,374,480
Marketing Expenses	79,177,205	88,120,973
Management Expenses	33,383,336	32,904,762
Miscellaneous Expenses	4,996,004	1,005,883
Interest on income tax	341,601	-
Postage, Telegram & Telephone	3,998,913	7,685,058
Printing and Stationary	4,371,918	6,516,461
Rates and Taxes	1,671,103	3,424,957
Repairs & Maintenance-Others	28,505,818	36,642,712
Travel & Conveyance	16,932,112	15,037,305
Bad Debts Written Off	13,900,846	8,131,468
Provision for Standard Asset	77,578,372	9,791,319
Provision for NPA & Doubtful Debts	17,849,318	53,477,999
	411,429,550	431,741,755

Note:

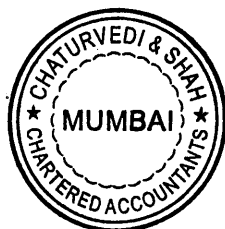
According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities and infrastructure at various locations the Company has paid Infrastructure Cost to RCL.

26. Security clause in respect to secured loans from banks

- 1 Term loans referred in Note "5" and current maturity of loan term debts (refer note "10 (a)") includes :
 - a Term loan Rs. 15,248,766,808 (Previous year Rs. 14,000,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 17,076,616,884 (Previous year Rs. 15,400,000,000).
 - b Term loan Rs. 1,000,000,000 (Previous year Rs. 2,000,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 1,100,000,000 (Previous year Rs. 2,200,000,000).
 - c Term loan Rs. 2,500,000,000 (Previous year Rs. 1,000,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,750,000,000 (Previous year Rs. 1,100,000,000).
 - d Term loan Rs. 1,800,321,917 (Previous year Rs. 1,000,000,000) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,160,386,300 (Previous year Rs. 1,200,000,000).

Maturity profile of Secured term loans from banks are as set out below:

(Amount in Rs)	
Year	Principal
2012-13	2,125,000,000
2013-14	4,312,400,000
2014-15	5,619,970,796
2015-16	5,095,716,830
2016-17	2,896,001,099
2017-18	500,000,000
Grand Total	20,549,088,725



Reliance Home Finance Limited

(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

27. As on April 26, 2010 the Company had entered into business transfer agreements ('BTA') with its holding company i.e. Reliance Capital Limited (RCL) to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Ltd. As per the amended BTA with RCL:
- a) The RCL holds loan assets of Rs. 424,026,006 (Previous year Rs. 1,348,704,112) and liabilities Rs. Nil (Previous Year Rs. 11,393,379) of the Company in the capacity of trust as on March 31, 2012.
 - b) During the year the Company has taken the following assets, income and expenses from the RCL :
 - i) Unamortized DSA Commission of Rs. 1,596,221 (Previous year Rs.19,176,563)
 - ii) Interest & other income of Rs. 109,561,344 (Previous year Rs. 466,780,654)
 - iii) Interest & other expenses of Rs. 92,075,551(Previous year Rs. 312,518,719)
 - iv) DSA commission expense of Rs. 133,805 (Previous year Rs.19,666,343)
28. a) During the year the Company has entered into one agreement on October 7, 2011 (Previous year three agreements on various dates) with its holding company i.e. Reliance Capital Limited (RCL) for loans assignment from RCL. As per deed of assignment, for loans aggregating to Rs. 492,614,734 (Previous year Rs. 5,133,795,108) the Company has been assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default. The above loans are secured against mortgage of Housing property.
- b) During the year the Company has entered into six agreements on various dates (Previous year four agreements on various dates) with RCL for loans assignment to RCL. As per deed of assignment, Rs. 7,034,907,193(Previous year Rs. 4,928,765,918) the Company assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default.



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

29. During the year the Company sold loans through securitisation and direct assignment. The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	- (690)	1,898 (-)	1,898 (690)
Total book value of loan assets Securitized / Assigned	Rs.	- (1,37,57,19,737)	2,14,97,73,678 (-)	2,14,97,73,678 (1,37,57,19,737)
Sale consideration received for the Securitized / Assigned assets	Rs.	- (1,37,57,19,737)	2,14,97,73,678 (-)	2,14,97,73,678 (1,37,57,19,737)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	254,600,000 (25,46,00,000)	280,446,896 (-)	53,50,46,896 (25,46,00,000)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	3,11,16,036 (4,70,64,646)	4,97,96,660 (13,98,238)	8,09,12,696 (4,84,62,884)

Note : Figures in bracket represent previous year's figures.

30. In the opinion of management, all assets other than fixed asset and non current investments are approximately of the value stated if realised in the ordinary course of business.

31. Auditors' Remuneration :

Particulars	(In Rupees)	
	2011-12	2010-11
i) Audit Fees	300,000	300,000
ii) Tax Audit Fees	100,000	100,000
iii) Certification Fees	100,000	100,000
Total	500,000	500,000



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

32. Employee Benefits:

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

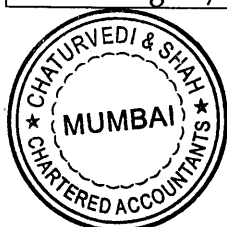
(In Rupees)		
Particulars	2011-12	2010-11
i) Employer's Contribution to Provident Fund and LWF	6,984,461	5,520,452
ii) Employer's Contribution to Superannuation Fund	23,064	136,364
iii) Employer's Contribution to Pension Scheme	1,805,332	1,602,429
Total	8,812,857	7,259,245

b) Defined Benefit plans

The following tables summarise the components of the net employee benefit expenses recognised in the Profit and Loss account, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

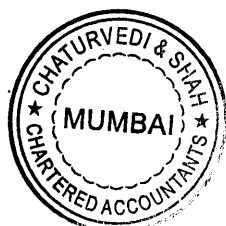
(In Rupees)		
PARTICULARS	2011-12	2010-2011
I. Assumptions :		
Discount Rate	8.50%	8.25%
Rate of Return on Plan Assets	8.50%	8.25%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	2,625,588	3,097,250
Interest Cost	216,611	247,780
Current Service Cost	1,523,363	1,551,311
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	37110	(2,270,753)
Liability at the end of the Year	4,402,671	2,625,588
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	4,505,074	-
Benefit Paid	-	-
Actuarial gain/(loss) on Plan Assets	(89,934)	-



Reliance Home Finance Limited
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Notes to the financial statements as at March 31, 2012

Fair Value of Plan Assets at the end of the Year	4,415,140	-
Total Actuarial Gain/(Loss) To Be Recognised	(127,043)	2,270,753
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	-	-
Actuarial gain/(loss) on Plan Assets	(89,934)	-
Actual Return on Plan Assets	(89,934)	-
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	4,402,671	2,625,588
Fair Value of Plan Assets at the end of the Year	4,415,140	-
Difference	12,469	(2,625,588)
Amount Recognised in the Balance Sheet	12,469	(2,625,588)
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,523,363	1,551,311
Interest Cost	216,611	247,780
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	(127,043)	(2,270,753)
Expense Recognised in Statement of Profit & Loss	1,867,018	(471,662)
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	2,625,588	3,097,250
Expense as above	1,867,018	(471,662)
Employers Contribution	(4,505,074)	-
Amount Recognised in Balance Sheet	(12,469)	2,625,588
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	2,625,588
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	(2,625,588)
Experience adjustment on Plan Assets	(89,934)	-
Experience adjustment on Plan Liabilities	212,254	(1,015,020)



Reliance Home Finance Limited
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Notes to the financial statements as at March 31, 2012

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2011-2012	2010-2011
I. Assumptions :		
Discount Rate	8.50%	7.50%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,712,195	2,850,923
Interest Cost	172,556	125,289
Current Service Cost	723,456	711,289
Benefit Paid	(822,904)	(2,360,795)
Actuarial (gain)/loss on obligations	(388,076)	1,385,489
PVO at the end of the Year	2,397,227	2,712,195
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	822,904	2,360,795
Benefit Paid	(822,904)	(2,360,795)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of period	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	822,904	2,360,795
Benefit Paid	(822,904)	(2,360,795)
Fair Value of plan Assets at end of period	-	-
Funded Status	(2,397,227)	(2,712,195)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (obligation)	388,076	(1,385,489)
Actuarial Gain/(Loss) for the period (Plan Asset)	-	-
Total Gain/(Loss) for the period	388,076	(1,385,489)
Actuarial gain/(Loss) recognized for the period	388,076	(1,385,489)



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

Unrecognised Actuarial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	723,456	711,289
Interest Cost	172,556	125,289
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	(388,076)	1,385,489
Expense Recognised in Statement of Profit & Loss	507,936	2,222,067
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Period	2,397,227	2,712,195
Fair Value of Plan Assets at end of Period	-	-
Funded Status	(2,397,227)	(2,712,195)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,397,227)	(2,712,195)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	2,712,195	2,850,923
Expenses as above	507,936	2,222,067
Contribution paid	(822,904)	(2,360,795)
Closing Net Liability	2,397,227	2,712,195
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,397,227	2,712,195
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,397,227)	(2,712,195)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	(388,076)	1,385,489

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.



Reliance Home Finance Limited

(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

33. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship
Reliance Innoventures Pvt. Ltd.	Ultimate Holding Company
Reliance Capital Limited	Holding company
Reliance General Insurance Company Limited	Fellow Subsidiary

b) Transactions during the year with holding company:

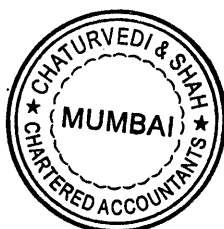
Particulars	(In Rupees)	
	2011-2012	2010-2011
Share Capital		
Preference Share Capital issued during the year (Including Securities Premium)	250,000,000	-
Balance as at the end of year (Equity & Preference other than Securities Premium)	329,100,000	326,600,000
Loan		
Assignment of Loan Taken	492,614,734	5,133,795,108
Purchase consideration paid	492,614,734	5,133,795,108
Assignment of Loan Given	7,034,907,193	4,928,765,918
Purchase Consideration received	7,034,907,193	4,928,765,918
Unamortised DSA Commission transferred from	1,596,221	19,176,563
Unamortised DSA Commission transferred to	18,826,713	-
Expenses		
Infrastructure Cost & Other Expenditures (Net of Recovery of Other Expenditures)	66,766,674	189,552,120
Management Fees	33,383,336	32,904,762
Other Expenses transferred under BTA	379,885	113,899,759
Interest Expense transferred under BTA	91,829,471	237,951,646
Income		
Interest & Other Income transferred under BTA	109,561,344	466,780,654

Note:

- 1) Related party transaction with fellow subsidiary i.e. Reliance General Insurance Co. Ltd, Infrastructure Cost sharing Rs. Nil (Previous year Rs.65,305).

34. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

segment as specified in Accounting Standard (AS-17) on "Segment reporting", notified by the Companies (Accounting Standards) Rules, 2006.

35. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

		(In Rupees)	
	Particular	2011-12	2010-11
a)	Amount used as the numerators		
	Net Profit/ (Loss) after tax	264,533,173	412,082,178
	Less: Preference Dividend	-	2,128,000
	Net Profit/ (Loss) available for Equity shareholder	264,533,173	409,954,178
b)	Weighted average number of equity shares (nos.)	30,000,000	30,000,000
c)	Basic & Diluted Earnings Per Share (Rs.)	8.82	13.67

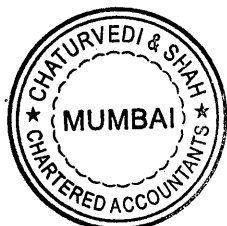
Note:

During the year the 8 % Compulsory Convertible Preference Share were converted to 0 % Optionally Convertible / Redeemable Preference share with effect from April 1, 2011. For the purpose of calculation of diluted earnings per share, numbers of equity shares to be issued upon conversion cannot be quantified at this stage since the conversion ratio will be decided by the Board of Directors of the Company in such manner, at their sole discretion, hence the basic and diluted earning per share is considered to be same.

36. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

- a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 is as follows:

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2012	Provision as at March 31, 2012	Outstanding Balance as at March 31, 2012	Provision as at March 31, 2012
Standard Asset	23,097,511,427 (21,185,534,493)	96,325,958 (18,196,147)	405,087,344 (3,286,369,335)	5,220,289 (5,771,728)
Sub-Standard Assets	208,479,140 (219,482,020)	29,589,931 (22,212,542)	- (4,880,224)	- (535,574)
Doubtful Assets	135,654,787 (105,722,029)	43,793,905 (24,724,633)	478,500 (-)	119,625 (-)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)



Reliance Home Finance Limited

(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

- b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :
- No penalty has been imposed by National Housing Bank.
 - The Company has received the inspection report from National Housing Bank (NHB) vide its letter no. NHB (ND)/DRS/4432/2012 dated March 12, 2012 in which NHB has draw the certain contraventions of conditions of grant of Certificate of Registration/the Directions and the Guidelines issued by the NHB under the National Housing Bank Act, 1987 from time to time as also other in the functioning of the Company. The Company has placed the replies before the board meeting and the same will be sent to NHB.
 - Figures in bracket represent previous year's figures.

37. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2012	As at March 31, 2011
CRAR (%)	14.21%	12.94%
CRAR - Tier I capital (%)	13.70%	12.94%
CRAR - Tier II capital (%)	0.52%	-

(II) Exposure to real estate sector, both direct and indirect:

(In Rupees)

a)	Direct Exposure	As at March 31, 2012	As at March 31, 2011
(i)	Residential Mortgage		
	Individual Housing Loan up to 15 lakhs	1,196,534,610	2,118,241,519
	Individual Housing Loan More than 15 lakhs	17,941,963,622	15,664,011,120
	Other Residential Mortgage	4,271,788,858	3,710,660,280
	Commercial Real Estate	405,554,633	3,289,904,749
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(a) Residential	5,669,137	5,669,137
	(b) Commercial	131,902,836	131,902,836
b)	Indirect Exposure Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-



Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

Notes:

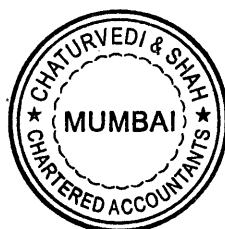
- (i) The direct exposure given in (i) & (ii) represents loans principal outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.
- (ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

Period	(In Rupees)			
	Liabilities As at March 31, 2012		Assets As at March 31, 2012	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	- (-)	- (997,883,285)	73,287,784 (98,779,571)	250,000,000 (-)
Over 1 month to 2 months	- (-)	346,333,426 (-)	91,676,097 (118,243,021)	- (-)
Over 2 month to 3 months	200,000,000 (690,000,000)	- (984,623,321)	89,131,768 (119,173,648)	- (-)
Over 3 month to 6 months	250,000,000 (250,000,000)	96,791,989 (48,222,681)	272,484,235 (371,947,559)	- (-)
Over 6 month to 1 Year	1,675,000,000 (250,000,000)	- (180,891,436)	479,009,229 (726,871,286)	- (-)
Over 1 year to 3 Year	9,932,370,796 (6,104,166,667)	- (-)	1,504,598,189 (2,224,056,974)	- (-)
Over 3 year to 5 Year	7,991,717,929 (8,800,000,000)	- (-)	1,640,125,402 (2,113,274,945)	- (-)
Over 5 Year to 7 years	500,000,000 (2,395,833,333)	- (-)	1,904,030,760 (2,374,679,520)	137,571,973 (-)
Over 7 Year to 10 years	- (-)	- (-)	3,313,145,881 (3,867,287,711)	- (116,864,408)
Over 10 years	- (-)	- (-)	14,406,218,392 (12,740,201,119)	- (20,707,565)
Total	20,549,088,725 (18,490,000,000)	443,125,415 (2,211,620,723)	23,773,707,737 (24,754,515,353)	387,571,973 (137,571,973)

Notes:

- i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.
- ii) 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




Reliance Home Finance Limited
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements as at March 31, 2012

40. The Company has taken approval of the shareholders at the extra ordinary general meeting held on March 2, 2012 for changing its status from Private to Public Limited company and consequent change in the name of the company from Reliance Home Finance Private Limited to Reliance Home Finance Limited. Subsequently on receipt of fresh Certificate of Incorporation dated March 27, 2012 from the Registrar of Companies Maharashtra, Mumbai, the company has changed its name from Reliance Home Finance Private Limited to Reliance Home Finance Limited.
41. The Company has used Pre-revised Schedule VI to the Companies Act, 1956 for the Preparation & Presentation of its Financial Statements till year ended March 31, 2011. Vide Notification No. S.O. 497(E) dated 28-02-2011 (As amended by Government Notification No. F. No. 2/6/2008-C.L-V dated 30-3-2011), issued by Ministry of Corporate Affairs replaces the existing Schedule VI to the said Act by the New Schedule VI, which has come into effect for all accounts presented for accounting year commences on or after April 1, 2011. Therefore the Company has reclassified the previous year figures to confirm to the current year's classification.


As per our report of even date


For CHATURVEDI & SHAH
Chartered Accountants
Firm Registration No: 101720W



Vijay Napawaliya
Partner
Membership No. 109859
Mumbai
Date: April 28, 2012



For and on behalf of the Board


K. V. Srinivasan
(Director)


Soumen Ghosh
(Director)


Bhakti Bagadia
(Company Secretary)



FIRST/SOLE APPLICANT'S ADDRESS

ADDRESS																				
STREET																				
CITY																				
PIN																				
PHONE																				
FAX																				
EMAIL																				
OCCUPATION																				

FIRST/SOLE APPLICANT'S PAN. _____ IT CIRCLE/WARD/DISTRICT _____

SECOND APPLICANT'S PAN. _____ IT CIRCLE/WARD/DISTRICT _____

THIRD APPLICANT'S PAN. _____ IT CIRCLE/WARD/DISTRICT _____

I/WE ARE BANK () FINANCIAL INSTITUTION () COMPANY () SEBI REGISTERED FII ()
OTHERS () SPECIFY _____

RESIDENTIAL STATUS INDIAN () NON INDIAN ()

TAX RESIDENTIAL STATUS RESIDENT () NON-RESIDENT ()

TAX STATUS NON EXEMPT () EXEMPT () (IF EXEMPT PLEASE SPECIFY) _____

(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I/We have read and understood the Terms and Conditions of the issue of these Debentures/NCDs. I/We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures/NCDs. I/We confirm that I/we are not a Non-Resident Indian and/or an Overseas Corporate Body. We request you to please place our name(s) on the Register of Debenture Holders.

I/We confirm that I/we are aware that the Distributor (if any) has been or will be remunerated by the Company as per the arrangement with the Company for the distribution of The Debentures/NCDs. I/We confirm that I/we are aware that for each Debenture/NCD applied for, I/we shall pay to the Issuer the applicable Placement Fee (if any) over and above the Issue Price of the Debentures/NCDs. I/We confirm that I/we are aware that the Issuer shall pay the Placement Fee to the Distributor (if any).

I/We confirm that unless expressly set out in the Application Form, I/We are applying to the Debentures/NCDs as Investors and not as distributors.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

Name of the Authorised Signatory (ies)	Designation	Signature

Unless otherwise requested, the Debentures / NCDs will be issued in dematerialised form. Applicant(s) are required to fill up the following particulars for such issuance:

REQUEST FOR SERIES IN DEMATERIALISED FORM
TOTAL NUMBER OF SERIES

I/We the undersigned, want to hold the Series of the Company in the dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY PARTICIPANT NAME	
DP-ID	
CLIENT -ID	
NAME OF THE APPLICANT(S) _____	

I/We understand that: i) in case of allotment of Debentures/NCDs to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures/NCDs, (ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, (iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole option to reject the application.

I/We understand that in case of allotment of Debentures/NCDs to me/us, the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name in the debenture certificate.

The details mentioned above would be used for all correspondence with the applicants including mailing of Allotment Letters and printing of bank particulars on the refund/interest order (if any). By signing the Application Form, the applicant would have deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue these relevant details. Applicant may note that delivery of Refund Orders/Allotment of Debentures/NCDs in the Demat Account/Allotment Letters may get delayed if the details provided by the applicant are incorrect. Please note that any such delay shall be at the applicant's sole risk and neither Company nor the Registrars shall be liable to compensate the applicant for any losses caused to the applicant due to any such delay or liable to pay any interest for such delay.

I/We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the principal, returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Issuer (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. I / We confirm that we are

aware that, as returns on the Debentures are structured and linked to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference, we may receive negligible returns, not receive any returns at all or receive negative returns and as a result at any time during the life of the Debentures till the Final Valuation Date the value of the Debentures may be substantially less than its redemption value.

I / We understand that the Issuer may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), I / We shall convey all the terms and conditions contained herein (including the fact that these Debentures/NCDs cannot be sold to a Non-Resident Indian and/or an Overseas Corporate Body) to such Transferee. I / We undertake that we shall not sell or transfer the Debentures/NCDs to a Non-Resident Indian and/or an Overseas Corporate Body. In the event of any Transferee (including any intermediate or final holder of the Debentures/NCDs) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer (and all such persons acting on its or their behalf) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

I / We confirm that there are no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter.

I / We undertake that the payment for subscription of securities has been made from the bank account the person subscribing to the securities

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

DECLARATION TO BE FILLED IN ONLY IF THE APPLICANT IS INVESTING IN THE DEBENTURES AS A DISCRETIONARY PORTFOLIO MANAGER:

- 1) We, as Portfolio Managers, are fully in compliance with the laws and regulations applicable to us including the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993 and the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, the requirements of Circular dated 20th March 2006 “Guidelines on Anti-Money Laundering Standards” of the Securities and Exchange Board of India and the Guidelines for Issue and Listing of Structured Products/Market Linked Debentures,2011;
- 2) We are appropriately investing in the Debentures on behalf of our client, (“**Client**”). Client’s identity:
 - (i) is not disclosed by us [_____]; or
 - (ii) is disclosed by us [_____],and the investment in the Debentures is within the scope of our authority including pursuant to the agreement entered into by us with the Client, as provided for by Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 (the “**Agreement**”), and accordingly binds the Client. Should there be any dispute by the Client as regards the investment in the Debentures including but not limited to the scope of our authority with regard to such investment, the same shall be dealt with entirely by us with the Client, with no reference to Reliance Home Finance Limited (“**RHFL**”);
- 3) We have conducted suitability and appropriateness checks on our Clients pursuant to the PM Regulations (as applicable) and the Structured Products Guidelines, and we have fully advised each of our Clients of the risks relating to investment in the Debentures and of their rights against us as their principal and we accept responsibility for such advice
- 4) We shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy ourselves that the Debentures are suitable to the risk profile of the Client;
- 5) We shall provide our Clients with a copy of the Information Memorandum;
- 6) We shall guide the Clients as to where the valuations (of the Debentures) will be available;
- 7) We shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
- 8) **We have strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients;**
- 9) We consent to the disclosure or provision by RHFL to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to RHFL by us) and the investment in the Debenture, as required of RHFL under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law;
- 10) We further agree to provide to RHFL such additional information that RHFL deems necessary or appropriate in order for RHFL to comply with any such regulations and/or requests or requirements;
- 11) We also further agree (including on the basis of any request made by RHFL in this regard), to provide to any governmental or regulatory authority any information regarding the Client, the investment in the Debenture as required under regulations and/or as requested by any governmental or regulatory or other authority; and
- 12) We confirm and undertake that we are appropriately investing in these Debentures on behalf of our Clients and our activities have not violated and will not violate the **NHB Private Placement Directions**. We further confirm and undertake that we have not and shall not **use the name of the Issuer or any of its group entities or any of the words in any of our advertisement or any marketing material and that we have not acted and shall not act in a manner that would render this private placement of Debentures, an offer to the public.**

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

DECLARATION TO BE FILLED IN ONLY IF THE APPLICANT IS INVESTING IN THE DEBENTURES AS A NON DISCRETIONARY PORTFOLIO MANAGER:

- 1) We, as Portfolio Managers, are fully in compliance with the laws and regulations applicable to us including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 ("Portfolio Manager Regulations"), the Structured Products Guidelines, the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the SEBI ("AML Guidelines") together with the PML Act and the PML Rules, the "AML Laws & Rules") and all applicable know-your-client norms ("KYC Guidelines") issued by any relevant regulator;
- 2) We are appropriately selling the Debentures to / investing in the Debentures on behalf of our client, ("**Client**"). The Sale of / investment in the Debentures is within the scope of our authority (including as provided for in the Portfolio Manager Regulations), and accordingly binds the Client. Should there be any dispute by the Client as regards the investment in the Debentures regarding the scope of our authority with regard to such investment, the same shall be dealt with entirely by us with the Client, with no reference to Reliance Home Finance Limited ("**RHFL**");
- 3) We have conducted a risk profiling of each Client pursuant to the PM Regulations (as applicable) and the Structured Products Guidelines, and we have satisfied ourselves that the Debentures are suitable to the risk profile of the Client. We have fully advised each of our Clients of the risks relating to investment in the Debentures and of their rights against us as their principal and we accept responsibility for such advice
- 4) We shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy ourselves that the Debentures are suitable to the risk profile of the Client;
- 5) We shall provide our Clients with the Information Memorandum;
- 6) We shall guide the Clients as to where the valuations will be available;
- 7) We shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
- 8) We have strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients;
- 9) We consent to the disclosure or provision by RHFL to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to RHFL by us) and the investment in the Debentures, as required of RHFL under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law;
- 10) We further agree to provide to RHFL such additional information that RHFL deems necessary or appropriate in order for RHFL to comply with any such regulations and/or requests or requirements;
- 11) We also further agree (including on the basis of any request made by RHFL in this regard), to provide to any governmental or regulatory authority any information regarding the Client, the investment in the Debentures as required under regulations and/or as requested by any governmental or regulatory or other authority; and
- 12) We confirm and undertake that we are appropriately investing in these Debentures on behalf of our Clients and our activities have not violated and will not violate the NHB Private Placement Directions. We further confirm and undertake that we have not and will not use the name of the Issuer or any of its group entities or any of the words in any of our advertisement or any marketing material.

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature