

Minutes of the Twenty Ninth Meeting of the Committee of Creditors

Name of the Corporate Debtor: Reliance Capital Limited (“RCAP”)

Meeting Date & Time: Friday, December 23, 2022, 11:30 A.M. onwards

Mode: Meeting was convened over Video Conferencing (VC)

1. **“Administrator” or “Chair”-** Mr. Nageswara Rao Y
2. Members of the Advisory Committee (“ACM”)
 - Shri Srinivasan Varadarajan, ex-DMD, Axis Bank
 - Shri Sanjeev Nautiyal, ex-DMD, State Bank of India
 - Shri Praveen P Kadle, ex-MD & CEO, Tata Capital

The meeting was attended by Authorized representatives of the following members of the committee of creditors (“CoC Members”):

1. **Vistra ITCL (India) Limited (“Vistra”)**
 - Mr. Rajat Srivastava

Representatives of Debenture Holders under Trusteeship of Vistra ITCL (India) Limited

- A. **Life Insurance Corporation of India (“LIC”)**
 - Mr. Sharad Nair
 - Mr. Shreenath
- B. **Employee Provident Funds Organization (“EPFO”)**
 - Mr. Manish Joshi
 - Mr. Mohd Shuaib Shaikh
 - Mr. Ashraf
 - Mr. Pankaj Raman
 - Mr. Pankaj Jain
 - Mr. Siddharth Jaiprakash
- C. **J.C. Flowers Asset Reconstruction Private Limited (“JCF ARC”)**
 - Mr. Debasish Bose

D. Deutsche Bank – IA (“DB”)

- Mr. Gautam Prasad

E. Trust Capital Group (“Capital Group”)

- Mr. Amit Oke

F. Broad Peak Investment Advisers Pte Ltd (“Broad Peak”)

- Mr. Prashanth Venkatesh

G. Investment Opportunities V Pte. Limited (“SSG”)

- Mr. Parag Gupta

2. IDBI Trusteeship Service Limited (“IDBI”)

Representatives of Debenture Holders under Trusteeship of IDBI Trusteeship Service Limited (“ITSL”)

A. Investment Opportunities V Pte. Limited (“SSG”)

- Mr. Puneet Hans
- Mr. Ayush Agrawal

B. Credit Suisse, AG Singapore (“CS”)

- Ms. Sapna Bhavnani
- Mr. Mukesh

C. Franklin India (“Franklin”)

- Mr. Nischal Shah
- Mr. Arun Gupta

3. Yes Bank (“Yes Bank”)

- Mr. Akash Suri

4. IndusInd Bank (“IndusInd”)

- Mr. Nikhil Mathur
- Mr. Sumit Bhutra

5. Arvutam Enterprise Limited (“AEL”)

- Mr. Vedang Parab

6. Process Advisor of CoC- KPMG India (“KPMG”)

- Mr. Siddharth Suri
- Mr. Aditya Srimal

- Mr. Yash Shah

7. Legal Counsel of CoC- Luthra & Luthra (“L&L”)

- Mr. Piyush Mishra

Administrator’s Authorized representatives from Deloitte India Insolvency Professionals LLP (DIPE) (“Authorized Representative/s of the Administrator”):

1. Mr. Sumit Khanna
2. Mr. Nirav Pujara
3. Ms. Deepali Rai
4. Mr. Aditya Somani
5. Mr. Mayank Sanghvi

Other Attendees:

1. AZB & Partners (“AZB”) (“Legal Counsel to the Administrator”)

- Mr. Nilang Desai
- Mr. Avinash Subramanian

Agenda 1 – The Administrator to take the Chair

The Twenty Ninth meeting of the committee of creditors for the Corporate Debtor (“CoC”) was called to order by the Chair, Mr. Nageswara Rao Y. The Chair acknowledged the presence of the representatives of the financial creditors attending the meeting.

Further, the Administrator acknowledged the presence of the Authorized Representatives from Deloitte India Insolvency Professionals LLP (“Authorized Representatives of the Administrator”), representatives of AZB (“Legal Counsel to the Administrator”), Advisory Committee Members and the CoC Advisors (“KPMG and L&L”).

The Administrator requested all the members attending the meeting to keep the information, discussions confidential and not share any details related to the process carried out with any outsiders.

Agenda 2 - To take roll call and determine requisite quorum and mode of participation

The Chair established the requisite quorum, based on the attendance of the financial creditors, which was adequate as required by the regulations.

Agenda 3- Update on the resolution process of the Corporate Debtor

The Administrator briefed the CoC members on the challenge mechanism process conducted on December 21, 2022 in the presence of the Administrator, advisors to the Administrator, CoC advisors and CoC Members (ACRE,

Trust Capital and SSG) and Vistra ITCL. The Administrator highlighted that the mock round was conducted at 10:30 am with the RAs being informed in advance to ensure that the rules and process to be followed were clear and to assess if there were any issues which could be mitigated to ensure the bidding process is conducted smoothly. The below protocols were followed during the challenge mechanism process for maintaining confidentiality of the process: -

- 1) All electronic devices of the participants were collected and stored at one place
- 2) Any exit from the room shall be with two or more participants (each from separate organisation)
- 3) Only 4 laptops and a I-pad were kept in use for the purpose of conducting the challenge mechanism
- 4) Only 3 mobile phones were kept in use to contact the three resolution applicants (namely, Oaktree, Torrent and IndusInd International) for the purpose of coordination during the bid rounds.

The bidding process commenced at 11:30 am and concluded at 3.45 pm with four rounds of bidding by two RAs namely Torrent Investments Private Limited ("Torrent") and IndusInd International Holdings Ltd ("IIHL"). After every round the RAs were intimated about the highest NPV amount of the respective round along with the threshold bid amount and timelines of the subsequent rounds.

At the end of round no. 2, an email was received from Torrent whereby seeking that no bid was received post the deadline as there was no extension granted. The matter was discussed with the Torrent officials whereby it was highlighted that the team was facing server issues and emails were being received with delays. Further, they also acknowledged that the emails from their end were being received with significant delays.

The legal counsel to the CoC added that during the mock round, it was observed that there was a delay of few minutes in receipt of the email containing the password protected bid. Therefore, it was collectively decided in consultation with the 3 CoC representatives that in case the bidder has confirmed verbally that they have sent the bid and the same is received within 15 mins of the End Time, it would be allowed as a valid participation. Further, the passwords were obtained only at the end of receiving all bids from all participants. The legal counsel to the CoC further added that the integrity of the challenge mechanism process was maintained throughout and the same was conducted in a fair and transparent manner. The entire challenge mechanism process was recorded.

In round 3, IIHL submitted their bid below the threshold limit. Thereafter, in Round 4 Torrent submitted a bid below the threshold limit of Round 4. Torrent conveyed its inability to continue further and since there were no other participants, the challenge mechanism was concluded after receiving a formal confirmation from Torrent on request in relation to their exit from the challenge mechanism process.

After the end of the challenge mechanism, the Participating Resolution Applicants were informed about the Highest NPV amount via email and the conclusion of the challenge process.

The Administrator apprised the CoC members that upon completion of the above Challenge Mechanism, each RAs were required to submit a draft of its Resolution Plan (password protected) incorporating the highest Bid Amount (along with details of Upfront Payment and Deferred Payment) within a period of 24 hours from the conclusion of the Challenge Mechanism. The Administrator highlighted that the Resolution Plan (password protected) has been received from Torrent and IIHL within the prescribed timeline.

The Administrator presented the letter received from Torrent dated December 23, 2022, acknowledging the email received from the Authorised Representative of the Administrator whereby the bid submitted by Torrent was confirmed as the highest NPV (as part of the challenger mechanism process) and expressed their willingness to implement the Resolution plan at the earliest.

IndusInd Bank was requested if they would be willing to recuse themselves from the meeting in light of the sensitivities of the submissions made by one of the RAs. IndusInd agreed to recuse themselves during the period of discussion of the plans.

The covering email of the bidders was read in the presence of the CoC members. It came to notice that the covering email of IIHL included revised NPV of INR 9,000+ crores which was in deviation from the final bid submitted by them in the challenger mechanism process i.e. INR 8,110 crores.

The legal counsel of the Administrator stated that a response has been sent to IIHL highlighting that the request for the password was being made without prejudice to rights and remedies of the Administrator and the CoC and that no rights shall accrue to IIHL on this account. And nothing contained herein shall be considered as waiving or acquiescing to any deviations from the CIRP process.

The cover email from both the RAs were opened in the CoC post which the passwords were sought from the RAs and the plans were then opened in the CoC.

The draft Resolution Plan along with the financial proposal submitted by Torrent was opened in the presence of the CoC members post receipt of password.

The Authorised Representative of the Administrator presented the financial proposal submitted by Torrent and IIHL before the CoC members, including the details of the upfront and deferred payout (including the terms of deferred payout) and equity infusion.

The Authorized Representative of the Administrator confirmed to the CoC members that the financial proposal submitted by IIHL was indeed different from the final bid submitted by them on December 21, 2022 as part of the challenge mechanism process.

The legal counsel of the CoC and Administrator stated that while the process note states that no change in the financial proposal post the conclusion of challenge mechanism would be permitted, however there are judicial precedents whereby the CoC have accepted higher bids that came post completion of negotiations and courts have allowed CoC to accept the same. Also, all the compliant resolution plans are required to be put to vote, and it is now to the commercial wisdom of the CoC which is a statutory discretion available with the CoC and the same cannot be curtailed. Accordingly, the CoC shall deliberate on the matter in case of any deviation in the financial proposal received post the conclusion of the challenge mechanism.

The Legal Representative of the CoC also apprised the CoC on the discussions held with Torrent whereby the above clarification was given verbally over a call to them on a scenario whereby a RA submits a financial bid with the Resolution Plan that is different from the one bid by the RA during the challenge mechanism.

The Legal Representative of the CoC further apprised the CoC that the CoC in no manner is duty bound to vote upon the Resolution Plan based only on financial proposal. The CoC would equally consider other non-financial factors and vote upon the plans independently.

The Legal Representative of the CoC along with the Process Advisors of the CoC, the Legal Representative of Administrator and the Process Advisor of Administrator deliberated and discussed with the Chair on the proposed way forward considering the revised financial proposal shared by IndusInd International, while keeping in view the value maximization objective.

CoC Member, SSG, reiterated the fact the both the financial bids received currently are below the liquidation value determined by the valuers.

The Authorized representative of Administrator apprised the CoC that the Administrator is obliged to submit to the CoC every and all compliant Resolution Plans. The Legal counsel to the administrator reiterated that the current note on challenge process did specify that no change in financial proposal will be permitted. Therefore, this action of IIHL is a deviation to the process. However, the legal counsel clarified that there are judicial precedents that have allowed CoC's to exercise their discretion and accepting such deviations to maximise the value of the CD.

The Administrator requested the views of the CoC around the proposed way forward keeping in mind the clauses contained in the Process Documents and the deviations in the financial bid submitted by IndusInd International.

LIC stated that Torrent should also be provided with an opportunity to match the financial bid submitted by IndusInd International. Further also stated that currently the bids received are well below the liquidation value, accordingly the way forward needs to be deliberated and their stand is uncertain at the given levels of the bid.

Participant	Query	Response
SSG	Requested clarification on whether Torrent can be allowed as per the process to match the revised financial bid submitted by IndusInd International	The Legal Representative of the Administrator responded that since the RA's have submitted draft plans, modifications are possible however they would be in deviation from the defined challenge process mechanism
SSG	Requested clarification on whether the CoC will be required to formally vote upon if Torrent can be allowed to match the revised financial bid submitted by IndusInd International	The Authorized Representative of the Administrator responded that it would be clear once the views of the CoC has been gathered.
SSG	Requested clarification on whether discussions with the RA's would be necessary in case Torrent is allowed to match the revised financial bid submitted by IndusInd International	The Legal Representative of the CoC requested clarifications from the CoC on whether the RA's shall be bound by their financial bids submitted earlier or a second challenge mechanism is proposed.

Yes Bank recommended to have a discussion with Torrent and to understand if they would be willing to improve their financial proposal to match or outbid the financial proposal submitted by IndusInd International. After deliberations, it was agreed that discussions with the bidders would be undertaken once the next steps are agreed upon by the CoC.

The Authorized representative of the Administrator mentioned that currently IIHL has not submitted the Bids by the rules of the challenge mechanism whereas Torrent has submitted as per the rules of challenge mechanism subject to verification of the NPV submitted as per the challenge mechanism by the COC advisors. It could be unfair to ask Torrent to increase their value for abiding by the rules of the challenge mechanism. However, it has already been communicated to all the Resolution Applicants that the main objective is value maximization

and the fact that the IIHL has revised their bids post the challenge mechanism can be interpreted as Applicants have not provided their best bids till now and can further undergo change.

SSG mentioned that the main reason why the bids have come from INR 5000 Crores to INR 8640 Crores is because we had given them certainty that the challenge mechanism is the final negotiation and accordingly they should submit their best bid and even after the challenge mechanism if we are not concluding the same, there is no incentive for the Applicants to increase the bids as the bidders will continue to raise their bid and may withdraw from the process if there is no finality in the process.

The Authorised representative of the Administrator suggested that the CoC needs to take a call whether they would want to consider IIHL's previous bid amount or the revised bid amount and if CoC decides to consider it then a discussion can be held with Torrent where the situation can be explained and they can come up with a revised bid and if IIHL increase the bid again, then the Right of First Refusal can again be given to Torrent. Broadpeak seconded the same.

In addition to the above, Yes Bank further suggested that alternatively we can conduct the challenge mechanism process again with incremental threshold bid amount as may be decided by the CoC to avoid any litigation, and further if there is any unsolicited bid, the process would need to be conducted again.

The Chair mentioned that there should be a finality to the challenge process and bid submission, otherwise it will become an open-ended process.

After multiple deliberation it was decided that both the draft resolution plans received by the Administrator will be evaluated by the CoC advisors and a comparison of both the plans received will be presented to the CoC members and subsequently the COC members can deliberate on how to further engage with the bidders in relation to the resolution process. The view of the COC members was sought on the approach to be followed:-

LIC, EPFO, Broadpeak, JC Flower, Yes Bank, SSG, Trust Group, Vistra, Franklin, CS agreed to the said approach

It was proposed that the CoC advisors will share the presentation and evaluation by 28th December 2022 and next CoC will be scheduled on 3rd January 2023 to discuss on the same. Further, discussion can be scheduled with the Resolution Applicants subsequently basis the deliberation in that COC.

The Chair apprised the members that advisors are of the view further exclusion period will be required to be sought from the NCLT as the deadline of January 31, 2023 may not be sufficient and if the CoC is also of the same view the same can be discussed and put to vote in the next CoC meeting. The Chair requested the advisors and the COC members to endeavor to complete the process by the deadline of January 31, 2022.

Any other matter with the permission of the chair

To update on the reclassification under Regulation 31A of SEBI (LODR) Regulations, 2015

The Legal Counsel of the Administrator updated the COC member on the reclassification re-classification under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) from its Promoters and Promoter Group.

1. Reliance Capital Limited (RCap / the 'Company') has, on September 30, 2022, received an application for re-classification under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) from its Promoters and Promoter Group

2. In terms of requirements of Regulation 31A(8)(a) of SEBI LODR, the Company has intimated the same to stock exchanges on October 1, 2022.
3. Shareholding of the Promoters and Promoter Group in the Company is currently less than 1%.
4. Existing Promoters and Promoter Group have confirmed their eligibility for re-classification and have confirmed the requirements under 31A(3)(b) of SEBI LODR.
5. The Company complies with the requirements of 31A(3)(c) of SEBI LODR.
6. In terms of requirements of Regulation 31A(3)(a)(ii) of SEBI LODR, the board of directors of the listed entity is required to analyze such request in the immediately next board meeting or within three months from the date of receipt of the request from its promoter(s), whichever is earlier.

As shareholding of the Promoters and Promoter Group in the Company is currently less than 1% requirement of seeking shareholders' approval is not applicable in terms of proviso (a) to Regulation 31A(3)(a)(iii) of SEBI LODR

Forward Path

1. Application for re-classification is required to be placed before the Administrator (performing the role of RCap Board of Directors) who is required to analyze the application and give views on the request of re-classification by Promoters and Promoter Group.
2. Post Clearance from the Administrator, the Company is required to submit the same to Stock Exchanges for approval within 30 days.

The Legal Counsel of the Administrator updated the COC member that the Administrator will analyse the application and will proceed accordingly. This update is only for the information of the CoC.

RCAP employee Directors on the Board of Reliance Corporate Advisory Services Limited and Reliance Exchange Next Ltd. be designated as RCAP Nominees

Background

- Reliance Corporate Advisory Services Limited and Reliance Exchange Next Ltd. are 100% subsidiary company of RCL.
- It is proposed that RCAP employees who are directors as per details below be designated as Nominee of RCAP.

Name of the Company	Nature of Relationship	Current Director	Nominee Director of RCL
Reliance Corporate Advisory Services Limited	Subsidiary	Shri Madan Chaturvedi Shri Yogesh Deshpande Shri Sudeep Ghoshal	Shri Madan Chaturvedi Shri Yogesh Deshpande Shri Sudeep Ghoshal
Reliance Exchange Next Ltd.	Subsidiary	Shri Atul Tandon Shri Madan Chaturvedi Shri Yogesh Deshpande	Shri Atul Tandon Shri Madan Chaturvedi Shri Yogesh Deshpande

After Deliberation, the COC gave concurrence on the same.

Value of Excluded Assets of the Corporate Debtor for the benefits of COC members

The Authorized Representative of the Administrator presented the list of exclusion assets to the COC members.

Participants	Comments/Suggestion	Response
BroadPeak	Sought clarification about the issues in selling the assets	The Administrator updated the COC member that the Release of charge NOC is pending for the ACRE.
LIC	Enquired whether ACRE has voted in favour of the quoted shares of RNLIC.	<p>The Authorized Representative of the Administrator updated the COC that ACRE has voted in favour of the quoted shares of RNLIC and currently release of charge is pending.</p> <p>Further in the 15th meeting of the Committee of Creditors of Reliance Capital Limited ("CoC") held on August 02, 2022 and adjourned 15th CoC meeting was held on August 03, 2022, the resolution related to selling of Quoted shares RNAM was passed at 285 per share and in 25th CoC meeting was held on November 23, 2022, the resolution related to selling of Quoted shares RNAM was passed at 210 per share.</p>

Further the administrator updated post the CoC approval for the sale of RNAM shares, the share price has fallen from INR ~285/ share to INR ~245/ share, causing an opportunity loss to the Stakeholders and the requested release of charge on the assets is in the interest of all the stakeholders and therefore, we humbly request ACRE to kindly revert on the same at the earliest.

Participants	Comments/Suggestion	Response
Yes Bank	Sought clarification on whether subrogation claim has been pursued against IndusInd arbitration.	The legal counsel to the administrator confirmed that the subrogation claim has been pursued.

There being no further agenda at hand for discussion the Chair concluded the meeting with the vote of thanks to all the participants.

Sd/-

Nageswara Rao Y

Administrator of Reliance Capital Limited

