

Auditors' Certificate

To
 The Board of Directors,
 Reliance Capital Limited,
 H Block, 1st Floor,
 Dhirubhai Ambani Knowledge City,
 Navi Mumbai - 400710

Certificate on Non-applicability of Para I (A) (9)(a) of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015

1. This certificate is issued solely at the request of Reliance Capital Limited ("the Company").
2. We refer to the accompanying Undertaking of Reliance Capital Limited stating the reasons for non applicability of Sub-Para 9(a) of Paragraph I (A) of Annexure I ["paragraph 9(a)"] of the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India ("SEBI") (hereinafter referred to as the "Circular") has been prepared by the Management of the Company pursuant to the requirements of Sub-Para 9(c) of Paragraph I (A) of Annexure I of the Circular in connection with Draft Scheme of Arrangement of Reliance Capital Limited with Reliance Gilts Limited ("RGL") and their respective Shareholders and Creditors (hereinafter referred to as the "Draft Scheme") for demerger of commercial finance business of Reliance Capital Limited to Reliance Gilts Limited. The Company is required to submit an Undertaking as per SEBI Circular, duly certified by the statutory auditors, with BSE Limited and the National Stock Exchange of India Limited (together referred to as "Stock Exchanges.") towards non applicability of conditions mentioned in Para 9(a) of SEBI Circular.
3. In connection with the requirement as stated in Paragraph 1 above, we have been provided by the Company a certified true copy of the Draft Scheme (as attached herewith) and certified true copy of the Undertaking (as attached herewith) as per SEBI Circular. We have relied on the above details and have performed no further procedures in this regard.

Management's Responsibility for the Undertaking

4. The preparation of the Undertaking is the responsibility of the Management of the Company including but not limited to the creation and maintenance of all accounting and other records supporting the contents of the Draft Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the Circular and the Companies Act, 1956 and Companies Act, 2013 as applicable and other applicable statutes in relation to the Draft Scheme and for providing all the information to the SEBI and Stock Exchanges.



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Auditors' Responsibility

6. Pursuant to the Circular, it is our responsibility to examine the Draft Scheme and other relevant records and documents maintained by the Company and certify whether the requirements set out in paragraph 9(a) of the Circular, as stated in the Undertaking, are applicable to the Draft Scheme or not.
7. We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate, accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the aforesaid Scheme other than the matters referred to in this certificate.

Conclusion

8. On the verification of the Undertaking given by the Company and the Draft Scheme and based on our examination as above, and the information and explanations furnished to us and specific representation received by us from the management, we, Chaturvedi & Shah, Chartered Accountants, one of the joint statutory auditor, certify that to the best of our knowledge, the requirements set out in paragraph 9(a) of the Circular, and as stated in the Undertaking, are not applicable to the Draft Scheme on the following grounds :
 - a) No additional shares are proposed to be allotted to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary / (s) of Promoter/Promoter Group of the Company;
 - b) The Draft Scheme involve demerge of Commercial Finance Business and the whole of the undertaking of the Company relating to Commercial Finance Business, including its properties, assets and liabilities would stand transferred to RGL and none of the Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Company are involved in the Proposed Scheme;
 - c) The Draft Scheme provides for demerger and vesting of the transferred undertaking relating to Commercial Finance Business to RGL and there is no merger of the subsidiary with the Company.

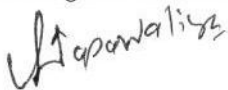
Restrictions on Use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.



10. This certificate has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, to enable the Company to file its application with the Stock Exchanges and should not be used by any other person or for any other purpose. Chaturvedi & Shah, neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

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



Vijay Napawaliya
Partner
Membership No. 109859



Place: Mumbai
Date: February 25, 2016



February 25, 2016

Chaturvedi & Shah
Chartered Accountants
714-715, Tulsiani Chambers,
212, Nariman Point,
Mumbai

Dear Sir,

Sub.: Undertaking in Relation to Non -applicability of Para I (A) (9)(a) of Annexure I of the Circular No. CIR/CFD/ CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India ("SEBI Circular") to the Scheme of Arrangement between Reliance Capital Limited and Reliance Gilts Limited and their respective shareholders and creditors.

1. In connection with the Scheme of Arrangement between Reliance Capital Limited ("RCap" or "the Transferor Company" or "The Company") and Reliance Gilts Limited ("RGL" or the "Transferee Company") and their respective shareholders and creditors ('the Scheme') we undertake that the Scheme does not envisage any of the following cases referred in the said para 9(a) of the SEBI Circular.
 - i. Allotment of any additional shares to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary(s) of Promoter/Promoter Group of the listed company.
 - ii. The Scheme of Arrangement involves the listed company and any other entity involving Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary(s) of Promoter/Promoter Group.
 - iii. Acquisition of the equity shares of the subsidiary by the parent listed company, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary(s) of Promoter/Promoter Group of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme of Arrangement.
2. The Scheme involves the demerger and vesting of the Commercial Finance Business of RCap to its wholly owned subsidiary RGL. Pursuant to the Scheme, no shares would be issued by RGL to RCap. There is no change in the Promoter and public shareholding pattern of RCap pursuant to the Scheme.



3. The Company hereby states that the conditions prescribed in the said para 9(a) of the SEBI Circular (in relation to voting by public shareholders through the postal ballot and e-voting) are not applicable to the Proposed Scheme based on the following grounds:

- i. The Scheme does not envisage any issue/ allotment of any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.
- ii. The Proposed Scheme relates to the demerger and vesting of the Commercial Finance Business of RCap to its wholly owned subsidiary. The sub-para 9 (a)(ii) deals with cases wherein, as a result of some relationship between the other entity and the Promoters/ Promoters Group of the Company, there may be a benefit or loss to the Promoters/ Promoters Group. There is no direct relationship between the Promoter/Promoter Group of the Transferor Company and the Transferee Company and the relationship is only through the Transferor Company i.e. RCap. In such a case, the benefit if any, can arise to RCap only. Such a benefit would be to the advantage of all shareholders of the Company. The objective of safeguarding the interest of the Minority shareholders [the purpose behind sub-para 9 including the sub-para 9(a)(ii)] would not apply to such a case.
- iii. The Scheme involves the demerger and vesting of the Commercial Finance Business of RCap to RGL. We confirm that the shares of RGL was not owned by Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company, at any point of time in the past. Further, there is no merger of the subsidiary with the parent listed company.

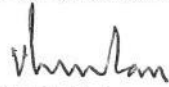
4. Accordingly, we submit that the following requirements prescribed in the said para 9(a) read with Para I (A) (9)(a) of Annexure I of the SEBI Circular are not applicable in relation to the said Scheme:

- i. Requirement for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution; and
- ii. Requirement for the Scheme being acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

Thanking you.

Yours faithfully,

For Reliance Capital Limited



V. R. Mohan

President & Company Secretary

