

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.

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.

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

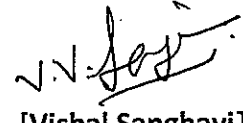
Thanking you,

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.