

Minutes of the proceedings of the meeting of the Board of Directors of Reliance Communications Limited held on Sunday, the 7th July, 2013 at 3.00 p.m. at Board Room, 3rd Floor, Reliance Centre, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001.

Directors Present

Shri Anil D. Ambani	-	Chairman
Prof. J. Ramachandran	-	Director
Shri Deepak Shourie	-	Director
Shri A. K. Purwar	-	Director

In Attendance

Shri Prakash Shenoy	-	Company Secretary and Manager
Shri Manikantan Iyer	-	Chief Financial Officer
Shri Hasit Shukla	-	President

By invitation:

Shri Satish Seth

Chairman

Shri Anil D. Ambani, Chairman of the Board, occupied the Chair.

- 1. Leave of absence:** Leave of absence was granted to Shri S. P. Talwar, Director, who had requested for the same.
- 2. To peruse and approve the Minutes of the proceedings of the meeting of the Board of Directors of the Company held on 10th May, 2013.**
Minutes of the proceedings of the meeting of the Board of Directors of the Company, held on 10th May, 2013, circulated to the Directors and placed before the meeting, were confirmed by the Board and signed by the Chairman.
- 3. To peruse and note the Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 10th May, 2013.**
Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 10th May, 2013, circulated to the Directors and placed before the meeting, was noted by the Board.
- 4. To peruse and note the Minutes of the proceedings of the meeting of the Shareholders / Investors Grievance Committee of the Board of Directors of the Company held on 10th May, 2013.**
Minutes of proceedings of meeting of the Shareholders / Investors Grievance Committee of the Board of Directors of the Company held on 10th May, 2013, circulated to the Directors and placed before the meeting was noted by the Board.
- 5. To note disclosure received from the Director(s)/ Manager.**
Disclosure under Section 305 of the Companies Act, 1956 received from Directors for the changes in their directorship in other body corporate/s as placed before the meeting was noted by the Board and directed the Company Secretary to record the same in appropriate register(s).

At this point of time, Shri Anil D. Ambani, Chairman of the Board, declared that he being deemed to be interested in the next item of agenda, he would like to be recused from discussions and decisions on the matter for next

Agenda. He then left the meeting room to facilitate the fair and neutral discussions amongst other Directors.

Thereafter, Shri A. K. Purwar and Shri Deepak Shourie, Directors requested Prof. J. Ramachandran to Chair the proceedings of the meeting and accordingly Prof. J. Ramachandran chaired the proceedings of the meeting.

6. To consider and approve the Scheme of Arrangement for demerger of Real Estate Undertaking of the Company into a separate company.

The Board was informed that the Company and its following subsidiaries are holding real estate undertaking comprising the properties in major cities across India.

- 1) Reliance Communications Infrastructure Limited (RCIL)
- 2) Reliance Infocomm Infrastructure Private Limited (RIIPL)
- 3) Campion Properties Limited (CPL)

The Board was further informed that the above companies along with the Company are holding more than 150 acres of land and substantial developed assets in various parts of India. It was proposed to consolidate the real estate undertaking of the Company through a Scheme of Arrangement into a separate company ('Real Estate Co') which will have mirror shareholding as that of the Company.

The Board was also informed that the Board of Directors of RCIL, RIIPL and CPL shall also be considering the consolidation of their respective real estate undertakings into the Real Estate Co separately.

Upon the Scheme of Arrangement becoming effective, the Real Estate Co will be listed on BSE and NSE.

The Board was further informed that the implementation of the proposed scheme shall not impact the current operations and/ or profitability of the Company.

The Board was informed that the real estate undertaking of the Company is proposed to be combined in the Real Estate Co for unlocking value as well as for:

- Attaining focused approach and harness and optimize the synergies in the respective businesses of telecom services and real estate development.
- Achieving improved operational and management efficiency by reduction of overheads and other expenses.
- Optimizing allocation of financial resources in line with requirements and risk quotient of respective businesses and thereby use available resources in development of their core businesses.
- Maximizing value to its respective customers and stakeholders.
- Aligning growth strategies of respective businesses by exploring new opportunities within the real estate space in a focused manner without drawing on the resources of the telecom vertical and better mobilization of financial resources, greater financial strength and flexibility.

The Board was further informed that M/s. JM Financial Institutional Securities Pvt. Ltd. and M/s. KPMG would be advising the Company on the proposed scheme and also on the detailed methodology and step plan to achieve the desired structure. An analysis of real estate undertaking of the Company and subsidiaries have also been undertaken to arrive at fair market value of real estate undertaking.

The Board was further informed that the preliminary and indicative monetisable value of the Company's and its subsidiaries real estate on development is estimated by independent valuers at over Rs. 12,000 crore (US\$ 2 billion). The Real Estate Co shall forge partnership with global and marquee players in its future developments.

The Board was informed that proposed restructuring / demerger is subject to approval from the shareholders, lenders, courts etc.

A detailed presentation was made to the Board Members by Sh. Satish Seth and Sh. Hasit Shukla covering the above proposal.

The Board was informed that the Audit Committee of the Board of Directors of the Company at its meeting held earlier today, has also deliberated this agenda matter in detail and has recommended the Board to consider to grant in principle approval for the same.

The Board discussed the demerger proposal in detail and granted in-principle approval for the same. The Board decided to constitute a Committee of Independent Directors to evaluate the proposal and passed the following resolution:

“RESOLVED THAT a Committee of Independent Directors comprising Prof. J. Ramachandran, Director, Shri Deepak Shourie, Director and Shri A. K. Purwar, Director, with quorum of any two members be and is hereby constituted to study, evaluate and finalise a proposal for demerger of Real Estate Undertaking of the Company and RCIL and take all steps relevant and necessary for such purpose and that the Committee be and is hereby authorized to:

- a) to consult and appoint Advisors, Consultants, Valuers, Merchant Bankers etc;
- b) to finalise structure for demerger;
- c) to finalise Scheme of Arrangement, Swap ratio and any other documents related to the said Scheme;
- d) to apply for any approvals, consents, permission and sanctions, if necessary of the Government of India, SEBI, Stock Exchanges, Reserve Bank of India and any other appropriate authorities, institutions regulatory or other bodies and to accept such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction;
- e) to sub-delegate all or any of the powers to any executives and to appoint persons as authorised representatives / signatories on behalf of the Company and to give / revoke authority from time to time to representatives/ signatories of the Company;

and take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the purpose, including but not limited to finalisation of any proposal, the final

structure, Scheme of Arrangement etc, and get the same considered and approved by the Board for its implementation.

Shri Anil D. Ambani, being interested in the matter, did not attend, participate in the discussion and vote on the matter.

At this stage, the Board requested the attendance of Shri Anil D. Ambani, Chairman. Shri Anil D. Ambani Chairman then occupied the Chair and updated the Board members on the activities of the Company.

There being no further business to transact, the meeting ended with a vote of thanks to the Chair.

Chairman

Entered on: 15.07.2013

Signed on: