



**Union Bank**  
of India

(भारत सरकार का उपक्रम)  
औद्योगिक वित्त शाखा  
(आय.एस.ओ - 9001:2000 प्रमाणित)  
यूनियन बैंक भवन,  
239, विधान भवन मार्ग, नरीमन पॉइंट, मुंबई - 400 021  
टेलिफोन - 22892011  
2287 10 55, फॅक्स : 2285 50 37

(A Government of India Undertaking)  
**INDUSTRIAL FINANCE BRANCH**  
(ISO - 9001:2000 Certified)  
Union Bank Bhavan,  
239, Vidhan Bhavan Marg, Nariman Point,  
Mumbai 400 021  
Telephone : 22892011  
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IFB:ADV:OS:165:13

Dated 09.03.2013

Reliance Communications Limited  
H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai 400 710 Maharashtra

Dear Sirs,

**Sub: Sanction of Credit Facilities**

This has reference to your request for sanction of term loan of ₹ 300.00 crores (Reliance Communications Ltd- Rs 275 Cr & Reliance Telecom Ltd- Rs 25 crore).

In this connection we are pleased to inform you that our competent authority has sanctioned/approved following credit facility in your favour on the following terms and conditions:

(Rs. in Crores)

Nature of Limit	Amount		Margin	Int./ Comm.	Security
	Existing	Proposed			
TERM LOAN	-	300.00 (Rs. 275 crs to RCOM & Rs. 25 crs to RTL)	84.86% Project Margin & 10% min. security	SBI Base Rate (SBBR) + 2.50%* (i.e our bank Base Rate + 1.95%) present effective 12.20 % p.a.	As per point 25 of Terms & Conditions
<b>TOTAL</b>		<b>300.00</b>			

\*Spread to be adjusted at monthly rests.

In case any other bank charges higher rate, the same shall be applicable to our bank.

**33. Terms and conditions:**

1. Reliance Group	“Reliance Group” means Mr. Anil Dhirubhai Ambani (“ADA”) and his family in a personal capacity and family trusts (in respect of the shares held by such family members or family trusts, only those shares deemed controlled by Mr. Anil Dhirubhai Ambani will be included for the purposes of this definition) or the companies where ADA has at least a 26% stake and the companies that are also controlled directly or indirectly by ADA
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	(together "Reliance Group").				
<b>2. Borrower(s)</b>	Borrower 1 - Reliance Communications Ltd. (RCOM) Borrower 2 - Reliance Telecom Limited (RTL)				
<b>3. Obligor Group</b>	Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) , Reliance Infratel Limited (RITL) & Reliance Globalcom BV (RGBV).  Each one of the above entity would be individually referred to as an Obligor & together would be referred to as the "Obligor Group". RCOM shall act as the "Obligor's Agent".				
<b>4. RCOM Group</b>	Reliance Communications Ltd. (RCOM) along with all its subsidiaries				
<b>5. Lenders</b>	Banks/Financial Institutions, collectively the "Lenders", who are participating in funding the project by way of the Facility. State Bank of India shall act as the Facility Agent.				
<b>6. Facility</b>	A Rupee Term Loan of Rs.6,500 Crore under a consortium arrangement to the Borrower(s) earmarked as under: Rs. 275 Cr to Borrower 1 (RCOM) & Rs. 25 Cr to Borrower 2 (RTL) All terms & conditions mentioned herein shall apply to both term loans of the Facility.				
<b>7. Purpose of the Facility</b>	For meeting ongoing - 1. Capital expenditure 2. Operational expenditure 3. Repayment of existing liabilities, other than any related party/ shareholder loans				
<b>8. Our bank facility</b>	A Rupee Term Loan of Rs. 300 Cr				
<b>9. Syndicated Amount</b>	A Rupee Term Loan of Rs. 6500 Cr				
<b>10. Syndicator/ Sole Arranger</b>	SBI Capital Markets Ltd. (SBICAPS) shall be the sole arranger for the Facility				
<b>11. Signing Date:</b>	The date on which the loan documentation for the Facility (the "Facility Agreement") is signed by the parties thereto.				
<b>12. Lenders Base Case</b>	The business plan and financial projections as accepted by the Lenders at the time of sanction.				
<b>13. Validity Period</b>	The other sanction terms shall be valid up to a period of three months from the date of sanction before which Facility Agreement shall be executed.				
<b>14. Availability Period</b>	For Borrower 1: Until 31 <sup>st</sup> March 2013. For Borrower 2: 3 months from the creation of "Additional Security" or 30 <sup>th</sup> September 2016 whichever is earlier. Any undrawn amount of the Facility at the end of the Availability Period will be automatically cancelled and will not be available for drawing.				
<b>15. Moratorium</b>	Upto 30 <sup>th</sup> September 2016				
<b>16. Repayment</b>	Principal Repayment in 14 structured quarterly installments post Moratorium. For both term loans i.e. Rs 275 Cr to RCOM and Rs 25 Cr to RTL.				
		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
	<b>FY 2017</b>	-	-	8%	8%

	<table border="1"> <tr> <td><b>FY 2018</b></td> <td>8%</td> <td>8%</td> <td>8%</td> <td>8%</td> </tr> <tr> <td><b>FY 2019</b></td> <td>1%</td> <td>1%</td> <td>1%</td> <td>1%</td> </tr> <tr> <td><b>FY 2020</b></td> <td>12%</td> <td>12%</td> <td>12%</td> <td>12%</td> </tr> </table>	<b>FY 2018</b>	8%	8%	8%	8%	<b>FY 2019</b>	1%	1%	1%	1%	<b>FY 2020</b>	12%	12%	12%	12%
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<b>FY 2019</b>	1%	1%	1%	1%												
<b>FY 2020</b>	12%	12%	12%	12%												
	The repayment due dates shall be 31 <sup>st</sup> December, 31 <sup>st</sup> March, 30 <sup>th</sup> June and 30 <sup>th</sup> September in each year.															
<b>17. Door to Door Tenor</b>	7 years and 2 months															
<b>18. Interest Rate</b>	<p>Floating rate of interest equivalent to SBI Base Rate (SBBR) plus a "Spread" of 2.50% (i.e. our bank BR+1.75%) present effective 12.25% p.a. with monthly rests.</p> <p>The interest payable shall be subject to the changes in interest rate policy, etc. made by the Reserve Bank of India/any other agency empowered for the purpose from time to time. However, Interest Rate cannot be lower than the base rate of any participating lender in the Facility.</p>															
<b>19. Trigger for Re-Pricing of Rate of Interest</b>	<p>Any adverse deviation from the estimated/ projected level in the Lenders Base Case by more than 20%, in respect of any two of the following financial parameters, arrived at from financial results, will entitle the Bank to re-price the loan.</p> <ol style="list-style-type: none"> <li>Interest Coverage Ratio</li> <li>Return on Capital Employed</li> <li>TOL/TNW</li> <li>Gross DSCR; However, the same shall not be below 1 at any point of time during the tenor of the Facility.</li> <li>Current Ratio</li> </ol> <p>The measurement of deviation shall be with reference to last audited statement of accounts and made from the first anniversary of the First Disbursement and annually thereafter.</p>															
<b>20. Interest Tax, Levies &amp; Duties</b>	Interest tax / other levies / duties, if any, applicable as per Facility Agreement, shall be payable by the Borrower(s) over and above the Interest Rate mentioned above.															
<b>21. Upfront Fees</b>	An Upfront Fees at 0.25% of the Facility amount plus applicable taxes. This Upfront Fees shall be payable on the date of execution of the Term Loan Facility Agreement or any interim facility agreement, whichever is earlier															
<b>22. Commitment Fee</b>	<p>Commitment fee of 1.20% on the amount of undrawn amounts i.e. variance in actual disbursements with respect to quarterly disbursement schedule provided by the Borrower(s) at the time of documentation for the entire availability period or the amended disbursement schedule accepted by the Lenders. The Commitment Fee shall be calculated on the basis of amount undrawn during that quarter.</p> <p>The disbursement schedule, with the approval of the Lender's Agent, may be amended by the Borrower(s), with a thirty (30) days' prior written notice before the beginning of the respective quarter.</p>															
<b>23. Prepayment Premium</b>	The Borrower(s) shall at any time have the option to prepay the Lenders in part or in full, the loan together with all interest, prepayment premium and other charges and monies due and payable to the Lenders upto the date of such prepayment, on payment of prepayment premium equal to 1 % of the amount prepaid.															

	<p>No pre-payment premium, however, shall be payable if the pre-payment is effected in any of the following events:</p> <ol style="list-style-type: none"> <li>At the instance of the Lenders;</li> <li>From the surplus internal accruals generated by the Project with 30 days prior notice period with such prepayment being made once in financial year,</li> <li>From proceeds of strategic sale of assets of group entities or equity infusion.</li> </ol> <p>On Re-pricing of Rate of Interest if interest is found unacceptable, the Borrower(s) shall have the option to prepay the outstanding Rupee Term Loan by advising its intention to prepay within 30 days of such re-pricing advice date and prepay the Rupee Term Loan within 90 days from the re-pricing date; However, during this period, the Company shall service the Facility at the Re-priced Rate of Interest</p>
<p><b>24. Liquidated damages defaulted payments</b> on</p>	<p>The Borrower(s) shall pay default interest @ 1% p.a. for the period of default on the total outstanding amount</p> <ul style="list-style-type: none"> <li>- In respect of Principal &amp; interest or any other monies due on their respective due dates.</li> <li>- In case of Cross Default to other lenders</li> </ul> <p>Arrears of default interest shall carry interest at the applicable Interest Rate till the date of payment of the defaulted amount.</p> <p>However, the total additional interest on account of liquidated damages, non-compliance of various conditions/stipulations shall not exceed 3% p.a.</p>
<p><b>25. Security</b></p>	<p>Security for the Facility shall be created in two stages - namely Stage - 1 &amp; Stage - 2</p> <p><b><u>Stage - 1 ("Initial Security")</u></b></p> <p>The proposed Facility along with interest, fees, commission and other dues to the Lenders shall be secured by:-</p> <ol style="list-style-type: none"> <li>1) First pari - passu charge on all the present and future moveable plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) &amp; Reliance Infratel Limited (RITL);</li> <li>2) First paripassu charge on all the rights, title, interest, benefit, in respect of all insurance contracts entered into in relation to the assets described in (1) above;</li> <li>3) Assignment of all telecom licenses of RCOM (UASL, NLD &amp; ILD)</li> <li>4) Negative lien on the following - <ul style="list-style-type: none"> <li>• present and future moveable fixed assets of RGBV (subject to existing encumbrance as on date of execution of Facility Agreement)</li> <li>• present and future immovable assets of the Obligor Group</li> <li>• Telecom Licenses held by RTL (subject to the existing assignments of the telecom licenses for the benefit of the existing lenders of RTL)</li> </ul> </li> </ol>

	<ul style="list-style-type: none"> <li>• present &amp; future investments of RCOM in the Obligor Group, subject to existing encumbrance as on date of execution of Facility Agreement</li> <li>• cash and cash equivalents of the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)</li> </ul> <p>The security in (1) (2) &amp; (4) shall be created before first disbursement and (3) within 6 months from the date of first disbursement.</p> <p>The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.</p> <p><b><u>Stage - 2 ("Additional Security")</u></b></p> <p>5) First pari - passu charge on all present &amp; future moveable fixed assets of the Obligor Group, including, but not limited to moveable Plant and Machinery and Capital Work in Progress</p> <p>6) Assignment of all telecom licenses of the RTL (UASL)</p> <p>7) First pari-passu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group</p> <p>8) First pari-passu charge on all present and future immoveable assets of the Obligor Group</p> <p>9) Assignment of rights, titles, interests, benefits, claims and demands in material project contracts incl. insurance proceeds of the Obligor Group.</p> <p>10) Implementation of Co-obligor structure for the Obligor Group. This shall mean joint and several guarantees from each of the members of the Obligor Group to secure the obligations of the Borrower(s) in connection with this Facility.</p> <p>11) Pledge by</p> <ol style="list-style-type: none"> <li>a) RCOM over their shareholding in RCIL;</li> <li>b) RCOM and Reliance Infocomm Infrastructure Private Limited over their shareholding in RTL.</li> </ol> <p>12) Subject to regulatory approvals permitting mortgage of spectrum, all spectrum belonging to the Obligor Group shall be mortgaged in favour of Lenders within 3 months from the date of such permission/notification. The security in (5), (6), (7), (8) (9) ,(10) &amp; (11) shall be created post obtention of consent of existing lenders of respective Obligor Group entities and such other regulatory or statutory approvals, as may be required. The same shall have to be created &amp; perfected within 6 months from the date of first disbursement of the Facility. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, if there is a delay on account of statutory/regulatory reasons, the same shall not be construed as an Event of Default.</p> <p>The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.</p> <p>All Security to be held by Security Trustee for the benefit of Lenders in a form and manner satisfactory to State Bank of India (proposed lead bank).</p>
<p><b>26. Additional Interest</b></p>	<p>In case the Obligor Group fails to create &amp; perfect the Security (for both Stage - 1 &amp; Stage - 2) within stipulated time periods, the Borrower(s)</p>

	<p>shall pay an additional interest of 1% p.a. on the entire outstanding loan amount from the end of such stipulated time period till creation &amp; perfection of Security. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, there is a delay is on account of statutory/ regulatory reasons, extension in timeline, based on mutual consent between RCOM &amp; SBI may be granted. During such extension, such additional interest may not be charged. Any further disbursements pending perfection of security shall be at the sole discretion of the Lenders.</p>										
<b>27. Stake sale/ Equity infusion</b>	<p>The Borrower undertakes to implement a stake sale/ equity infusion plan due to which a cash infusion shall be made into the Borrower as per the schedule indicated below:-</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31<sup>st</sup> March 2013</td> <td>5,000</td> </tr> <tr> <td>31<sup>st</sup> March 2014</td> <td>10,400</td> </tr> <tr> <td>31<sup>st</sup> March 2015</td> <td>1,000</td> </tr> </tbody> </table> <p>Borrower shall pay an additional interest of 1% p.a. on the entire outstanding loan amount in case of any breach in compliance with the above undertaking till such time the breach is cured. Further, any breach in adherence to the above schedule shall be construed as an Event of Default.</p>	Financial Year	(Amount in Cr)	31 <sup>st</sup> March 2013	5,000	31 <sup>st</sup> March 2014	10,400	31 <sup>st</sup> March 2015	1,000		
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<b>28. Debt Reduction Undertaking/ Covenant</b>	<p>The Borrower undertakes to implement a debt reduction schedule due to which the aggregate Gross Debt of RCOM Group (consolidated financials of RCOM as per Indian GAAP) shall not exceed:</p> <table border="1"> <thead> <tr> <th>As on</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31<sup>st</sup> March 2013</td> <td>41,000</td> </tr> <tr> <td>31<sup>st</sup> March 2014</td> <td>32,500</td> </tr> <tr> <td>31<sup>st</sup> March 2015</td> <td>29,000</td> </tr> <tr> <td>And thereafter shall not exceed</td> <td>25,500</td> </tr> </tbody> </table> <p>Borrower shall pay an additional interest of 1% p.a. on the entire outstanding loan amount in case of any breach in compliance with the above undertaking till such time the breach is cured. Further, any breach in adherence to the above schedule shall be construed as an Event of Default.</p> <p>For the purpose of testing the above, foreign currency component of Gross Debt shall be calculated as per 1 USD = Rs. 55.</p>	As on	(Amount in Cr)	31 <sup>st</sup> March 2013	41,000	31 <sup>st</sup> March 2014	32,500	31 <sup>st</sup> March 2015	29,000	And thereafter shall not exceed	25,500
As on	(Amount in Cr)										
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31 <sup>st</sup> March 2014	32,500										
31 <sup>st</sup> March 2015	29,000										
And thereafter shall not exceed	25,500										
<b>29. Financing Documentation</b>	<p>The Facility will be governed by a Facility Agreement in form and substance acceptable to both the parties. The Facility Agreement will contain usual provisions for a facility of this nature and the conditions precedent, events of default, representations and warranties, and covenants detailed in this term sheet.</p> <p>Finance Documents shall include the Facility Agreement and other documents designated as such by the Lender and the Borrower(s).</p>										
<b>30. Pre-commitment conditions</b>	<p>The Borrower(s)</p> <ol style="list-style-type: none"> <li>Ties-up the entire debt requirements envisaged in the Facility.</li> <li>Gives a declaration / undertaking to the effect that none of its</li> </ol>										

	<p>directors, is a director or specified near relation of a director of a lending bank</p> <p>c. Confirms/undertakes that name of none of the directors appears in RBI's / CIBIL's Defaulters' list/ECGC Caution List</p> <p>d. undertakes that the Obligor Group are in compliance with all matters pertaining to licenses and regulations.</p>
<p><b>31. Conditions Precedent</b></p>	<p>Prior to first disbursement under the Facility, the Borrower(s) shall, to the satisfaction of the Lenders, have complied with the following:-</p> <p>(a) All the financing documents pertaining to the Facility (save and except the security documents required to be executed in connection with the Stage 2 Additional Security and the telecom license assignment of RCOM) shall have been executed and the same are in full force and effect backed by a legal opinion from Lenders Legal Counsel.</p> <p>(b) Confirmation from the Lenders Legal Counsel that the terms of security offered by RCOM, RCIL, RTL and RITL as part of the Stage 1 Initial Security are at par with the terms of the security provided by RCOM, RCIL, RTL and RITL over their assets for the benefit of the other lenders of RCOM..</p> <p>(c) Create/perfect the security as envisaged under the Security clause within the stipulated time periods.</p> <p>(d) Provide an undertaking that -</p> <ul style="list-style-type: none"> <li>- Borrower(s) shall seek waiver from lenders of existing debt facilities for non-compliance of financial covenants for Financial Year 2012 and seek modification in financial covenants on the lines of Financial Covenants of this Facility. Consent letters from existing lenders/facility agents granting waiver for non-compliance of financial covenants for Financial Year 2012 and modification in financial covenants on the lines of Financial Covenants of this Facility to be in place within 6 months from the date of first disbursement. Additional interest of 1% p.a. shall be payable in case of any delay in obtaining waiver/modification in financial covenants from existing lenders.</li> <li>- The Borrower(s) has not agreed to more favourable terms than those offered to the "Lenders" of this "Facility" in any of its existing debt facilities. In case, it is subsequently found that more favourable terms have been agreed to by the Borrower(s), the same shall also be applicable for the Facility. Further, the Lenders are free to take any action that they deem fit to regularize the position.</li> <li>- Cash infusion on account of stake sale transactions i.e. Rs. 5000 Crs in FY'13, Rs. 10,400 Crs in FY'14 &amp; Rs. 1,000 Crs in FY'15 shall not be reduced on account of tax implications, if any. If cash infusion is reduced on account of tax implication or proceeds of stake sale transactions are not available for debt reduction, the Borrower shall infuse additional cash so as to give the same financial impact.</li> </ul> <p>(e) Submission of certified copies of constitutional documents of each of Obligors;</p> <p>(f) Submission of certified copies of appropriate board resolutions and other corporate authorizations;</p> <p>(g) Submission of certified copies of all approvals including regulatory and shareholder approvals to the extent applicable;</p> <p>(h) Agree to submit a certificate of end use of the disbursement within 30</p>

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	<p>days of such disbursement and a certificate from the Statutory Auditor within 60 days of such disbursement.</p> <p>However, any disbursement to RTL under the Facility shall be made only subsequent to creation of "Additional Security".</p>
<p><b>32. Affirmative Covenants</b></p>	<p>The Borrower(s) agrees that or shall ensure that (as applicable):-</p> <ol style="list-style-type: none"> <li>a. Reliance Group shall maintain Management Control of the Obligor Group and its subsidiaries through the entire tenor of the Facility. Management Control shall mean the right to appoint/remove majority of directors on the Board of the Obligor Group or power to directly/indirectly cause the direction of management and policies of a company.</li> <li>b. All statutory clearances as applicable shall be obtained and maintained at all times during the tenor of the Facility.</li> <li>c. All telecom business related approvals/clearances/ licenses from Department of Telecommunication or any other statutory body shall be obtained and maintained during the tenor of the Facility.</li> <li>d. To create security by way of mortgage of spectrum in favour of Lenders subject to regulatory approvals. Further, in case a more favourable term is offered to any other lender to the Obligor Group, the same shall also be applicable to the Lenders of the Facility.</li> <li>e. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed installments of the loan on due date/s by the Borrower(s), the Bank and / or the RBI will have an unqualified right to disclose or publish the Borrower(s) name/unit and its directors/ partners / proprietors as defaulter in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.</li> <li>f. The Bank will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time.</li> <li>g. The Borrower(s) shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL (other than as a Nominee/ Professional/ Honorary director). In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board.</li> <li>h. Lenders shall have the right to securitize the loan asset and in the event of such securitization, the Bank is not bound to send an individual intimation to the Borrower(s) or any other Obligor.</li> <li>i. Borrower(s) shall ensure that its assets and the assets of each other Obligor are fully insured</li> <li>j. Bank shall have the right to convert at its option the whole or part of the defaulted amount of the Loan into fully paid-up equity shares of the Borrower(s), at a mutually acceptable formula (or as per SEBI Regulation), if the Borrower(s) commits a default in payment of interest or repayment resulting into an Event of Default.</li> <li>k. It shall, at all times during the currency of the Facility, comply with the environmental, health, safety and social (EHSS) regulations/requirements.</li> <li>l. The Borrower(s) agrees to offer to the Bank, at least pro-rata business</li> </ol>

	<p>relating to remittances, bills / cheque purchase, non-fund based transactions including LCs and BGs, forex transactions and any interest rate or currency hedging business.</p> <p>m. Modify/Amend its Memorandum of Association or Articles of Association as per the requirements of the proposed Facility.</p> <p>n. Lenders shall have the right to appoint independent agencies, in consultation with the Borrower(s), for monitoring of the financials and operational performance with cost to be borne by the Borrower(s).</p>
<p><b>33. Negative Covenants</b></p>	<p>The Borrower(s) shall not without prior permission of Lenders -</p> <ol style="list-style-type: none"> <li>1. Formulate any scheme of amalgamation or reconstruction or change in capital structure, which shall result in dilution of stake held by RCOM in the Obligor Group and its subsidiaries. FLAG transaction as defined in the Lenders Base Case shall be a sole exception to this.</li> <li>2. Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the Bank from time to time and approved by the Bank.</li> <li>3. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, or company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Bank from time to time and approved by the Bank.</li> <li>4. Undertake any guarantee obligation on behalf of any other company other than as permitted by the bank and those issued for the benefit of the subsidiaries of the Borrower(s) in telecom related business to the aggregate extent of Rs. 500 cr.</li> <li>5. Create any charge, lien or encumbrance over its undertaking/assets or any part thereof in favour of any financial institution, bank, company, firm or persons other than as per the Lenders Base Case approved by Bank.</li> <li>6. Enter into any contractual obligation of a long-term nature or affecting the company financially to a significant extent.</li> <li>7. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.</li> <li>8. Undertake any trading activity other than as approved by the lenders.</li> <li>9. Permit any transfer of management control from Reliance Group or make any drastic change in the management set-up.</li> <li>10. Invest by way of share capital, Lend or advance funds to or place deposits with any other concern (excluding subsidiaries of the Borrower(s) in telecom related business to the extent of Rs. 500 cr), other than approved as per business plan. Normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended.</li> <li>11. Repay monies brought in by the promoters/ directors/ principal shareholders/related parties of Reliance Group and their friends and relatives by way of deposits/ loans / advances/sub-debt.</li> <li>12. Declare dividends for any year out of the profits relating to that year or of the previous years if the Borrower(s) is in breach of any</li> </ol>

	<p>financial covenants or the Debt Reduction Undertaking or an Event of Default has occurred.</p> <p>Assign or mortgage any of the fixed assets charged to the Lenders. However the Borrower(s) shall have the right to sell, lease, transfer or otherwise dispose of its assets in any period of 365 days of an aggregate amount of Rs 125 Cr.</p>
<b>34. Information Covenants</b>	<p>The Borrower(s) shall</p> <ol style="list-style-type: none"> <li>Maintain adequate books of accounts and Furnish to the Lenders every year a copy of consolidated audited annual accounts of the RCOM as per Indian GAAP together with compliance certificates within 120 days and unaudited consolidated semi-annual financial statements within 90 days;</li> <li>Keep the Lenders informed of the happening of any event likely to have substantial effect on its profit and business with explanations and the remedial steps proposed to be taken.</li> <li>Keep the Lenders advised of any circumstances which could have a material adverse effect on the financial position of its subsidiaries/group companies/companies in which it has large investments/ Obligor Group, including any action taken by the creditor against the said companies.</li> <li>Notify any events of default or potential events of default, material litigation and other material matters to the Lenders.</li> <li>Provide yearly auditor certifications as required by the Lenders incl. that on the revaluation amounts, etc.</li> </ol>
<b>35. Undertakings</b>	<p>The Borrower(s) undertakes to:-</p> <ol style="list-style-type: none"> <li>Maintain pari-passu ranking of obligations amongst secured lenders</li> <li>Offer to the Lenders any favourable term offered to other lenders to the Obligor Group except pricing terms.</li> <li>provide right of access/site inspections for Lenders throughout the tenor of the Facility</li> <li>Arrange for funds for payments required to be made for the following <ul style="list-style-type: none"> <li>Onetime fee on account of spectrum held</li> <li>License/ Spectrum renewal costs</li> </ul> </li> </ol> <p>Any other payment on account of regulatory compliances which has not been considered in the Lenders Base Case.</p>
<b>36. Financial Covenants</b>	<p>RCOM Group (consolidated financials of RCOM as per Indian GAAP) shall comply with the following financial covenants throughout the tenor of the Facility including on the date of first disbursement of the Facility:-</p> <ol style="list-style-type: none"> <li>Net Worth, shall not be less than Rs. 250,000,000,000 (Rupees Twenty Five thousand crores);</li> <li>The ratio of Net Debt to EBITDA shall not be more than 5.82 as on 31.03.2013 and 4.00 thereafter;</li> <li>The ratio of EBITDA to Interest Expenses shall not be less than 3.00 for FY'13 &amp; FY'14 and 4.00 thereafter;</li> <li>The ratio of Adjusted EBITDA to Debt Service shall not be less than 1.00</li> <li>Asset Cover Ratio shall not be less than 1.10</li> </ol>

The above covenants shall be tested annually and semi-annually respectively, on a rolling 12-month basis according to Indian GAAP. The testing for the end of Financial year shall be made on basis of Consolidated Audited Financials of the Borrower & mid of the Financial Year on the basis of Consolidated Unaudited Financials. Testing of covenants shall be done within 120 days from the respective financial year end dates. Testing of Financial Covenants to begin from 31.03.2013. Both testing shall be accompanied by a compliance certificate from the Auditor & the Borrower. For the purpose of the covenants above the definitions of the terms used are as listed below:

**Relevant Period:**

- (a) each period of 12 calendar months ending on 31 March in any year; or
- (b) each period of 12 calendar months ending on 30 September in any year;

**Net Worth**

The aggregate of paid up share capital and the amount standing to the credit of its consolidated reserves, including equity warrants issued to the extent they are paid up, however, after deducting the following:

- (a) all accumulated losses;
- (b) all deferred expenditures;
- (c) all deferred tax liabilities; and
- (d) revaluation amounts. This shall be certified by Statutory Auditor.

**Net Debt**

Gross Debt as reduced by cash and cash Equivalents.

**Gross Debt**

Sum of all fund based facilities availed by RCOM Group as per the consolidated financials of RCOM as per Indian GAAP.

**EBITDA**

In relation to any period, the net income from ordinary activities (for the avoidance of doubt excluding non-operating income and expense) before taking into account:

- (a) Tax;
- (b) Interest Expense;
- (c) any exceptional or extraordinary items; and
- (d) amortisation of intangible assets and depreciation of tangible assets

**Interest Expense**

The aggregate amount of all interest, commissions and fees in respect of moneys borrowed, discounts in respect of bills, notes or debts discounted, and that part of any amount under a financing lease or hire purchase, credit sale, conditional sale or deferred payment agreement which represents any of the foregoing but after deducting any interest income received.

**Adjusted EBITDA - EBITDA for that Relevant Period**

- Less all Taxes payable in respect of that Relevant Period.
- Less realised forex losses

		<ul style="list-style-type: none"> <li>• Less all capital expenditure for the Relevant Period.</li> <li>• add cash inflow on account of asset sale/ stake sale for the Relevant Period</li> <li>• Add additional loans availed during the Relevant Period. This applies only for Financial Year 2013</li> </ul> <p><b>Debt Service</b> The sum of: (a) Interest Expense for that period; and (b) that portion of Gross Debt scheduled for repayment in that period;</p> <p><b>Asset Cover ratio</b> The ratio of a) Net Block incl. CWIP and excl. intangible assets &amp; revaluation amounts and b) Gross Debt excluding unsecured loans, if any.</p> <p>Additional interest of 1% p.a. shall be levied in case of breach in the above financial covenants. However, a cure period of 30 days shall be available to the Borrower to redress the breach before which the above additional interest shall be applicable. The additional interest thus applied shall be recovered with effect from the date of breach.</p>
<b>37. Events of Default</b>	<b>of</b>	<p>The following inter-alia would be the Events of Default:</p> <ul style="list-style-type: none"> <li>(a) failure to pay any sum when due to the Lenders</li> <li>(b) breach of financial covenants or Debt Reduction Undertaking;</li> <li>(c) breach of covenants;</li> <li>(d) misrepresentation;</li> <li>(e) cross default with other indebtedness</li> <li>(f) Breach of material terms</li> <li>(g) insolvency or initiation of insolvency proceedings with respect to the borrower;</li> <li>(h) cessation of business by the borrower or threat of cessation;</li> <li>(i) invalidity/rescission/unlawfulness of a Finance Document;</li> <li>(j) repudiation of the Finance Document;</li> <li>(k) material proceedings and other litigation including court proceedings on license related issues resulting in a Material Adverse Effect;</li> <li>(l) expropriation, nationalization or moratoria;</li> <li>(m) cessation of telecom licenses (n) Change of Management Control of the Obligor Group; other than due to the notified transactions for which Lenders approval has been obtained</li> <li>(o) Cessation of listing of the shares of the RCOM.</li> <li>(p) Failure to comply with license conditions or any revocation thereof</li> <li>(q) The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or security ceases to be effective</li> </ul> <p>Besides the loan documents would also incorporate other Events of Default.</p>
<b>38. Consequences of Event of Default</b>	<b>of</b>	<p>The following inter alia shall be the consequences of Event of Default;</p> <ul style="list-style-type: none"> <li>a. Acceleration of debt repayment /cancellation of Facility.</li> <li>b. Conversion of debt into equity at a mutually acceptable formula or as per extant SEBI Regulations whichever applicable.</li> <li>c. Appointment of Nominee Directors by the Lenders.</li> <li>d. Enforcement of security</li> </ul>
<b>39. Cancellation</b>		The Lenders have a right to unconditionally fully/partially, without

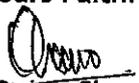
<b>Clause</b>	notice, cancel the facility - - In case the limits/parts of the limits are not utilized by the Borrower(s), and/or - In case of deterioration in the loan accounts in any manner whatsoever, and/or - In case of non-compliance of terms and conditions of sanction
<b>40. Material Adverse Effect</b>	Material Adverse Effect will be defined as any event or circumstance which has a material adverse effect on: (a) the business operations, assets or financial condition of RCOM Group and its subsidiaries (taken as a whole); or (b) the ability of RCOM Group to perform the payment obligations and/or comply with the financial covenants contained in the Financing Documentation; or (c) the validity or legality or the enforceability of or any rights or remedies of the lenders under the Financing Documentation.
<b>41. Change of Control</b>	For the purpose of this clause "control" means the power to appoint and/or remove all or a majority of the members of the board of directors (excluding independent directors) and otherwise directly or indirectly to control or have the power to control the affairs and policies of the Borrower(s).
<b>42. Transferability</b>	Lender will have the right to freely transfer or assign or novate to one or more persons all or a portion of its rights and obligations under the Facility Documentation without the consent of the Borrower(s). However, Lenders shall inform the Borrower(s) of any such assignment/novation/transfer.
<b>43. Governing Law and Jurisdiction</b>	The Facility will be governed by the laws of India and will provide for submission by the Borrower(s) to the non-exclusive jurisdiction of the courts of Mumbai.
<b>44. Documentation</b>	In addition to the terms and conditions contained in this Term Sheet, the final documentation will contain other customary clauses such as Financial covenants, Representation & Warranties from the Borrower(s), Conditions Precedent to the effectiveness of the loan and Condition Precedent to each disbursement, Affirmative Covenants by Borrower(s), Negative Covenants, Additional Covenants, Information Covenants, Events of Defaults by the Borrower(s) and the Consequences of the Event of Default, RBI disclosure norms, as applicable etc.

#### Interim disbursement- terms and conditions

<b>1</b>	<b>Borrower</b>	Reliance Communications Ltd. (RCOM)
<b>2</b>	<b>Facility</b>	Interim disbursement within the proposed Long Term Rupee Loan of Rs 300 Cr to RCOM
<b>3</b>	<b>Purpose</b>	For repayment of existing short term loans on their maturity.
<b>4</b>	<b>Amount</b>	Rs. 200 Cr (Rupees Two hundred Crore)
<b>5</b>	<b>Pre-payment</b>	Prepayment without pre-payment penalty permitted
<b>6</b>	<b>Security</b>	- First pari - passu charge on all the present and future moveable plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) & Reliance Infratel

		Limited (RITL); - First paripassu charge on all the rights, title, interest, benefit, in respect of all insurance contracts entered into in relation to the assets above.
7	Loan documents	Loan documents drafted by Lenders Legal Counsel
8	Repayment	From disbursement of Long Term Rupee Loan of Rs 300 Cr in case of repayment within 6 months of interim disbursement. Borrower shall arrange to repay from its own sources in case the Long Term Rupee Loan is not disbursed within 6 months of interim disbursement.
9	Condition Precedent to interim disbursement	(a) Submission of certified copies of constitutional documents of Borrower; (b) Submission of certified copies of appropriate board resolutions and other corporate authorizations; (c) Submission of certified copies of all approvals including regulatory and shareholder approvals to the extent applicable; (d) Agree to submit a certificate of end use of the disbursement within 30 days of such disbursement and a certificate from the Statutory Auditor within 60 days of such disbursement; (e) Submission of Undertaking from RCOM that it shall seek waiver from lenders of existing debt facilities for non-compliance of financial covenants for Financial Year 2012.
10	Other conditions	(a) Security as stipulated to be completed within 4 months from date of interim disbursement) (b) If Long Term Rupee Loan is not disbursed for what so over reason and interim disbursement is not repaid within a period of six months from the date of first disbursement, additional interest of 1% p.a. will be levied. If the interim disbursement is not repaid within 12 months from the date of first disbursement, the Bank will review the facility and initiate suitable steps as it may deem fit to regularize the position. (c) The company to submit details of expenditure incurred till date and sources thereof before disbursement. (d) Initial disbursement of Rs.200.00 crores will be made subject to company submitting an undertaking for infusion of the proposed/envisaged equity before 31.03.2013.

Thanking You  
Yours Faithfully

  
(Onkar Sharma)  
Chief Manager

यूनियन बैंक

ऑफ इंडिया

अच्छे लोग, अच्छा बैंक  
(भारत सरकार का उपक्रम)

औद्योगिक वित्त शाखा

यूनियन बैंक भवन, 239, विधान भवन मार्ग,  
नरीमन पॉइंट, मुंबई - 400 021  
टेलिफोन नं 22892157, 22892098  
फैक्स : 22855037



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INDUSTRIAL FINANCE BRANCH

Union Bank Bhavan,  
239, Vidhan Bhavan Marg,  
Nariman Point, Mumbai 400 021  
Telephone : 22892157, 22892098  
Fax: 22855037

IFB: ADV: VKS:2068:15

18<sup>th</sup> February 2015

M/s Reliance Communication Ltd  
H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai-400 710

Dear Sir

**Sub: M/s Reliance Communication Ltd**

With reference to your request for sanction of term loan of ₹ 300.00 crores submitted vide note letter dated 29.11.2014 & 27.01.2015, we are pleased to inform you that our competent authority has accorded approval for the following:

*Rs in Crores*

Nature of Limit	Amount	Margin	Int./ Comm.	Security
TERM LOAN	300.00	75.57% (based on envisaged Equity + internal accruals)	SBI Base Rate (SBBR) plus a "Spread" of 2.50% present effective 12.50% p.a. with monthly rests	#
TOTAL	300.00			

# Security: As per the term sheet.

The sanction is subject to:

1. Remitting processing charges @ 0.25%+ST

Terms and conditions are as per the term sheet are as under :

1. Reliance Group:	"Reliance Group" means Mr. Anil Dhirubhai Ambani ("ADA") and his family in a personal capacity and family trusts (in respect of the shares held by such family members or family trusts, only those shares deemed controlled by Mr. Anil Dhirubhai Ambani will be included for the purposes of this definition) or the companies where ADA has at least a 26% stake and the companies that are also controlled directly or indirectly by ADA (together "Reliance Group").
2. Borrower(s) :	Borrower 1 - Reliance Communications Ltd. (RCOM) Borrower 2 - Reliance Telecom Limited (RTL)
3. Obligor Group	Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL), Reliance Infratel Limited (RITL) & Reliance Globalcom BV (RGBV).  Each one of the above entity would be individually referred to as an Obligor & together would be referred to as the "Obligor Group". RCOM shall act as the

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	"Obligor's Agent".																									
4. RCOM Group	Reliance Communications Ltd. (RCOM) along with all its subsidiaries																									
5. Lenders:	Banks/Financial Institutions, collectively the "Lenders", who are participating in funding the project by way of the Facility. State Bank of India shall act as the Facility Agent.																									
6. Facility:	A Rupee Term Loan of Rs.6,750 Crore under a consortium arrangement to the Borrower(s) earmarked as under <ul style="list-style-type: none"> <li>- Rs. 6,015 Cr to Borrower 1 (RCOM) &amp;</li> <li>- Rs. 735 Cr to Borrower 2 (RTL)</li> </ul> All terms & conditions mentioned herein shall apply to both term loans of the Facility.																									
7. Purpose of the Facility:	For meeting ongoing - 1. Capital expenditure 2. Operational expenditure 3. Repayment of existing liabilities, other than any related party/ shareholder loans																									
8. Syndicator/ Sole Arranger	SBI Capital Markets Ltd. (SBICAPS) shall be the sole arranger for the Facility																									
9. Signing Date:	The date on which the loan documentation for the Facility (the "Facility Agreement") is signed by the parties thereto.																									
10. Lenders Base Case	The business plan and financial projections as accepted by the Lenders at the time of sanction.																									
11. Validity Period	<ul style="list-style-type: none"> <li>- The commercial terms shall be valid for a period upto one month from the date of sanction before which Company shall convey their acceptance.</li> <li>- The other sanction terms shall be valid up to a period of three months from the date of sanction before which Facility Agreement shall be executed.</li> </ul>																									
12. Availability Period:	For RCOM and RTL: Until 30 <sup>th</sup> June 2015 Any undrawn amount of the Facility at the end of the Availability Period will be automatically cancelled and will not be available for drawing.																									
13. Moratorium	Upto 30 <sup>th</sup> September 2016																									
14. Repayment	Principal Repayment in 14 structured quarterly installments post Moratorium For both term loans i.e. Rs 6,015 Cr to RCOM and Rs 735 Cr to RTL.																									
	<table border="1"> <thead> <tr> <th></th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>FY 2017</td> <td>-</td> <td>-</td> <td>8%</td> <td>8%</td> </tr> <tr> <td>FY 2018</td> <td>8%</td> <td>8%</td> <td>8%</td> <td>8%</td> </tr> <tr> <td>FY 2019</td> <td>1%</td> <td>1%</td> <td>1%</td> <td>1%</td> </tr> <tr> <td>FY 2020</td> <td>12%</td> <td>12%</td> <td>12%</td> <td>12%</td> </tr> </tbody> </table>		Q1	Q2	Q3	Q4	FY 2017	-	-	8%	8%	FY 2018	8%	8%	8%	8%	FY 2019	1%	1%	1%	1%	FY 2020	12%	12%	12%	12%
	Q1	Q2	Q3	Q4																						
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FY 2018	8%	8%	8%	8%																						
FY 2019	1%	1%	1%	1%																						
FY 2020	12%	12%	12%	12%																						
	The repayment due dates shall be 31 <sup>st</sup> December, 31 <sup>st</sup> March, 30 <sup>th</sup> June and 30 <sup>th</sup> September in each year.																									
15. Door to Door Tenor	5 years and 3 months including a moratorium of 1 year 9 months																									
16. Interest Rate	Floating rate of interest equivalent to SBI Base Rate (SBBR) plus a "Spread" of 2.50% present effective 12.50% p.a. with monthly rests i.e. Our Bank BR+2.50%. The interest payable shall be subject to the changes in interest rate policy, etc. made by the Reserve Bank of India/any other agency empowered for the																									



	purpose from time to time. However, Interest Rate cannot be lower than the base rate of any participating lender in the Facility.
17. Upfront fees	0.25%+ ST i.e.Rs.75.00 lacs
18. Trigger for Re-Pricing of Rate of Interest	<p>Any adverse deviation from the estimated/ projected level in the Lenders Base Case by more than 20%, in respect of any two of the following financial parameters, arrived at from financial results, will entitle the Bank to re-price the loan.</p> <ol style="list-style-type: none"> <li>Interest Coverage Ratio</li> <li>Return on Capital Employed</li> <li>TOL/TNW</li> <li>Gross DSCR; However, the same shall not be below 1 at any point of time during the tenor of the Facility.</li> <li>Current Ratio</li> </ol> <p>The measurement of deviation shall be with reference to last audited statement of accounts and made from the first anniversary of the First Disbursement and annually thereafter.</p>
19. Interest Tax, Levies & Duties	Interest tax / other levies / duties, if any, applicable as per Facility Agreement; shall be payable by the Borrower(s) over and above the Interest Rate mentioned above.
20. Commitment Fee	<p>Commitment fee of 1.20% on the amount of undrawn amounts i.e. variance in actual disbursements with respect to quarterly disbursement schedule provided by the Borrower(s) at the time of documentation for the entire availability period or the amended disbursement schedule accepted by the Lenders. The Commitment Fee shall be calculated on the basis of amount undrawn during that quarter.</p> <p>The disbursement schedule, with the approval of the Lender's Agent, may be amended by the Borrower(s), with a thirty (30) days' prior written notice before the beginning of the respective quarter.</p>
21. Prepayment Premium	<p>The Borrower(s) shall at any time have the option to prepay the Lenders in part or in full, the loan together with all interest, prepayment premium and other charges and monies due and payable to the Lenders upto the date of such prepayment, on payment of prepayment premium equal to 1 % of the amount prepaid.</p> <p>No pre-payment premium, however, shall be payable if the pre-payment is effected in any of the following events:</p> <ol style="list-style-type: none"> <li>At the instance of the Lenders;</li> <li>From the surplus internal accruals generated by the Project with 30 days prior notice period with such prepayment being made once in financial year,</li> <li>From proceeds of strategic sale of assets of group entities or equity infusion or securitization of receivables under the Tower Sharing agreement with other telecom operators.</li> <li>On Re-pricing of Rate of Interest if interest is found unacceptable, the Borrower(s) shall have the option to prepay the outstanding Rupee Term Loan by advising its intention to prepay within 30 days of such re-pricing advice date and prepay the Rupee Term Loan within 90 days from the re-pricing date; However, during this period, the Company shall service the Facility at the Re-priced Rate of Interest.</li> </ol>

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<p>22. Liquidated damages defaulted payments on</p>	<p>The Borrower(s) shall pay default interest @ 1% p.a. for the period of default on the total outstanding amount</p> <ul style="list-style-type: none"> <li>- in respect of Principal &amp; interest or any other monies due on their respective due dates.</li> <li>- In case of Cross Default to other lenders</li> </ul> <p>Arrears of default interest shall carry interest at the applicable Interest Rate till the date of payment of the defaulted amount.</p> <p>However, the total additional interest on account of liquidated damages, non-compliance of various conditions/stipulations shall not exceed 3% p.a.</p>
<p>23. Insurance</p>	<ol style="list-style-type: none"> <li>1. The Borrowers shall effect or procure to be effected insurance of all physical assets which are owned by them or which are otherwise necessary and third party liability insurances in amounts and in form satisfactory to the lenders/lenders agent/security trustee/ LIA</li> <li>2. The borrowers will procure that the Lenders/Security Trustee, are endorsed as loss payee beneficiaries under all such insurances and shall use all endeavors to procure that every such policy shall contain clause whereby such insurance shall not be vitiated or avoided as against a mortgagee or assignee in the event as a result of misrepresentation, act or neglect or failure to make disclosure on the part of the insured party or any circumstances beyond the control of the insured party. There shall however be no obligation on the lenders to pay insurance premiums in case the borrowers fail to pay the same.</li> <li>3. The Borrower shall promptly pay all premiums and do all other things necessary to keep all the insurance copies in force and shall not do or permit anything to be done which may make void or voidable any insurance policy of the borrowers</li> <li>4. If the Borrowers fail to comply with any of the above mentioned provisions, the lenders/lenders agent/security trustee shall immediately be entitled to affect the insurances concerned at the expense of the Borrowers.</li> <li>5. The Borrowers shall deliver to the Lenders / Lenders Agent/ Security Trustee originals of all policies of insurance including renewal policies and policy endorsements required to be purchased and maintained.</li> </ol>
<p>24. Fees/charges for Lender's Consultants</p>	<p>Lenders Legal Counsel (LLC) and Lenders Insurance Advisor (LIA) shall be appointed by the Bank. The cost of services of LIA and LLC or other consultants shall be borne by the borrower.</p>
<p>25. Security</p>	<p>Security for the Facility shall be created in two stages - namely Stage - 1 &amp; Stage - 2</p> <p><b>Stage - 1 ("Initial Security")</b></p> <p>The proposed Facility along with interest, fees, commission and other dues to the Lenders shall be secured by:-</p> <ol style="list-style-type: none"> <li>1) First pari - passu charge on all the present and future moveable plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) &amp; Reliance Infratel Limited (RITL);</li> </ol>



2) First pari passu charge on all the rights, title, interest, benefit, in respect of all insurance contracts entered into in relation to the assets described in (1) above;

3) Assignment of all telecom licenses of RCOM (UASL, NLD & ILD)

4) Negative lien on the following -

- present and future moveable fixed assets of RGBV (subject to existing encumbrance as on date of execution of Facility Agreement)
- present and future immovable assets of the Obligor Group
- Telecom Licenses held by RTL (subject to the existing assignments of the telecom licenses for the benefit of the existing lenders of RTL)
- present & future investments of RCOM in the Obligor Group, subject to existing encumbrance as on date of execution of Facility Agreement
- cash and cash equivalents of the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)

The security in (1) (2) & (4) shall be created at the time of execution of joint documents and (3) within 6 months from the date of first disbursement.

The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.

**Stage - 2 ("Additional Security")**

5) First pari - passu charge on all present & future moveable fixed assets of the Obligor Group, including, but not limited to moveable Plant and Machinery and Capital Work in Progress

6) Assignment of all telecom licenses of the RTL (UASL)

7) First pari-passu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group

8) First pari-passu charge on all present and future immovable assets of the Obligor Group

9) Assignment of rights, titles, interests, benefits, claims and demands in material project contracts incl. insurance proceeds of the Obligor Group.

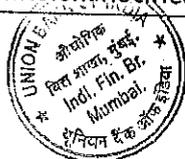
10) Implementation of Co-obligor structure for the Obligor Group. This shall mean joint and several guarantees from each of the members of the Obligor Group to secure the obligations of the Borrower(s) in connection with this Facility.

11) Pledge by

- a) RCOM over their shareholding in RCIL;
- b) RCOM and Reliance Infocomm Infrastructure Private Limited over their shareholding in RTL. ;
- c) RCIL over their shareholding in Reliance Infratel Limited. SBI Led consortium RTL will have exclusive right on pledge of shares subject to approval of other lenders including ECB lenders. In case the company fails to obtain NOC from other lenders for creating pledge exclusively to SBI led consortium RTL, the pledge will be created in favour of all the secured lenders of the company.

12) Subject to regulatory approvals permitting mortgage of spectrum, all spectrum belonging to the Obligor Group shall be mortgaged in favour of Lenders within 3 months from the date of such permission/notification

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	<p>The security in (5), (6), (7), (8) (9) ,(10) &amp; (11) shall be created post obtention of consent of existing lenders of respective Obligor Group entities and such other regulatory or statutory approvals, as may be required. The same shall have to be created &amp; perfected within 6 months from the date of first disbursement of the Facility. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, if there is a delay on account of statutory/regulatory reasons, the same shall not be construed as an Event of Default.</p> <p>The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.</p> <p>All Security to be held by Security Trustee for the benefit of Lenders in a form and manner satisfactory to State Bank of India.</p>								
<p><b>26. Additional Interest</b></p>	<p>In case the Obligor fails to create &amp; perfect the security (for both stage 1&amp;2) within stipulated time periods, the borrower(s) shall pay an additional interest of 1% p.a. on the entire outstanding loan amount from the end of such stipulated time period till creation &amp; perfection of security. However, in instances where despite the Obligor Group having demonstrated due to effort to create/perfect security, there is a delay is on account of statutory/regulatory reasons, extension in timeline may be granted at the sole discretion of the lenders. An additional interest of 1% p.a. on entire outstanding loan amount shall be recovered till such time extension in timeline is approved. Any further disbursements pending perfection of security shall be at the sole discretion of the Lenders.</p>								
<p><b>27. Stake sale/ Equity infusion</b></p>	<p>The Borrower undertakes to implement a stake sale/ equity infusion plan due to which a cash infusion shall be made into the Borrower as per the schedule indicated below:-</p> <table border="1" data-bbox="507 1243 1248 1377"> <thead> <tr> <th>Financial Year</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31<sup>st</sup> March 2015</td> <td>12,208</td> </tr> <tr> <td>31<sup>st</sup> March 2016</td> <td>4,200</td> </tr> </tbody> </table> <p>Borrower shall pay an additional interest of 1% p.a. on the entire outstanding loan amount in case of any breach in compliance with the above undertaking till such time the breach is cured. Further on any breach in adherence to the above schedule, Lenders shall have a right to call an Event of Default.</p>	Financial Year	(Amount in Cr)	31 <sup>st</sup> March 2015	12,208	31 <sup>st</sup> March 2016	4,200		
Financial Year	(Amount in Cr)								
31 <sup>st</sup> March 2015	12,208								
31 <sup>st</sup> March 2016	4,200								
<p><b>28. Debt Reduction Undertaking/ Covenant</b></p>	<p>The Borrower undertakes to implement a debt reduction schedule due to which the aggregate Gross Debt of RCOM Group (consolidated financials of RCOM as per Indian GAAP) shall not exceed:</p> <table border="1" data-bbox="507 1691 1401 1870"> <thead> <tr> <th>As on</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31<sup>st</sup> March 2015</td> <td>32,500</td> </tr> <tr> <td>31<sup>st</sup> March 2016</td> <td>29,000</td> </tr> <tr> <td>31<sup>st</sup> March 2017 and thereafter shall not exceed</td> <td>25,500</td> </tr> </tbody> </table> <p>Borrower shall pay an additional interest of 1% p.a. on the entire outstanding loan amount in case of any breach in compliance with the above undertaking till such time the breach is cured. Further on any breach in adherence to the</p>	As on	(Amount in Cr)	31 <sup>st</sup> March 2015	32,500	31 <sup>st</sup> March 2016	29,000	31 <sup>st</sup> March 2017 and thereafter shall not exceed	25,500
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31 <sup>st</sup> March 2017 and thereafter shall not exceed	25,500								

१५ नवंबर २०१५

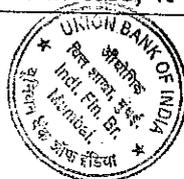


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	<p>above schedule, Lenders shall have a right to call an Event of Default. (Foreign currency of Gross USD Debt calculated @ Rs. 61)</p> <p>The excess proceeds vis-a-vis the projections from various stake sale in subsidiary companies as reported in the note to be utilized for adjustment of Term Loan from consortium.</p>
29. Financing Documentation:	<p>The Facility will be governed by a Facility Agreement in form and substance acceptable to both the parties. The Facility Agreement will contain usual provisions for a facility of this nature and the conditions precedent, events of default, representations and warranties, and covenants detailed in this term sheet.</p> <p>Finance Documents shall include the Facility Agreement and other documents designated as such by the Lender and the Borrower(s).</p>
30. Pre-commitment conditions	<p>The Borrower(s)</p> <p>a. Ties-up the entire debt requirements envisaged in the Facility.</p> <p>b. Gives a declaration / undertaking to the effect that none of its directors, is a director or specified near relation of a director of a lending bank</p> <p>c. Confirms/undertakes that name of none of the directors appears in RBI's/CIBIL's Defaulters' list/ECGC Caution List</p> <p>d. undertakes that the Obligor Group are in compliance with all matters pertaining to licenses and regulations.</p>
31. Credit Rating	<p>Reliance Communication Limited and Reliance Telecom Limited shall get all the credit facilities rated by any of the independent rating agencies viz CRISIL or CARE or ICRA or Fitch or Brickworks or any other rating agencies approved by RBI on yearly basis. In case, the company default in obtaining Credit Rating within 15 months from the date of earlier credit rating, an additional interest of 1% on entire outstanding shall be charges till the time such condition is fulfilled.</p>
32. Conditions	<p>At the time of execution of joint documents, the Borrower(s) shall, to the satisfaction of the Lenders, have complied with the following:-</p> <p>(a) All the financing documents pertaining to the Facility (save and except the security documents required to be executed in connection with the Stage 2 Additional Security and the telecom license assignment of RCOM) shall have been executed and the same are in full force and effect backed by a legal opinion from Lenders Legal Counsel.</p> <p>(b) Confirmation from the Lenders Legal Counsel that the terms of security offered by RCOM, RCIL, RTL and RITL as part of the Stage 1 Initial Security are at par with the terms of the security provided by RCOM, RCIL, RTL and RITL over their assets for the benefit of the other lenders of RCOM..</p> <p>(c) Create/perfect the security as envisaged under the Security clause within the stipulated time periods.</p> <p>(d) Provide an undertaking that -</p> <ul style="list-style-type: none"> <li>- Consent letters from existing lenders/facility agents granting waiver for non-compliance of financial covenants for Financial Year 2014 and modification in financial covenants on the lines of Financial Covenants of this Facility</li> <li>- The Borrower(s) has not agreed to more favourable terms than those offered to the "Lenders" of this "Facility" in any of its existing debt facilities. In case, it is subsequently found that more favourable terms have</li> </ul>

१५ वर्षों से मजबूत रहे  
अच्छे लोग, अच्छा बैंक



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	<p>been agreed to by the Borrower(s), the same shall also be applicable for the Facility. Further, the Lenders are free to take any action that they deem fit to regularize the position.</p> <ul style="list-style-type: none"> <li>- Cash infusion on account of stake sale transactions i.e. Rs. 6,100 Crs in FY'15 (over and above Rs 6,108 Cr infused by way of QIP proceeds and preferential allotment to promoters) and Rs. 4,200 Crs in FY'16 shall not be reduced on account of tax implications, if any. If cash infusion is reduced on account of tax implication or proceeds of stake sale transactions are not available for debt reduction, the Borrower shall infuse additional cash so as to give the same financial impact.</li> <li>- All approvals including regulatory and shareholder approvals to the extent applicable are in place.</li> <li>- Utilize Securitization proceeds to RJio exclusively to reduce SBI led consortium RTI.</li> </ul> <p>(e) Submission of certified copies of constitutional documents of each of Obligors except RGBV which will be submitted within 3 months from the date of disbursement;</p> <p>(f) Submission of certified copies of appropriate board resolutions and other corporate authorizations;</p> <p>(g) Agree to submit a certificate of end use of the disbursement within 30 days of such disbursement and a certificate from the Statutory Auditor within 60 days of such disbursement.</p>
<p><b>33. Affirmative Covenants</b></p>	<p>The Borrower(s) agrees that or shall ensure that (as applicable) :-</p> <ul style="list-style-type: none"> <li>a. Reliance Group shall maintain Management Control of the Obligor Group and its subsidiaries through the entire tenor of the Facility. Management Control shall mean the right to appoint/remove majority of directors on the Board of the Obligor Group or power to directly/indirectly cause the direction of management and policies of a company. The sole exception shall be Global Cloud Xchange Limited transaction as envisaged in the Lenders Base Case.</li> <li>b. All statutory clearances as applicable shall be obtained and maintained at all times during the tenor of the Facility.</li> <li>c. All telecom business related approvals/clearances/ licenses from Department of Telecommunication or any other statutory body shall be obtained and maintained during the tenor of the Facility.</li> <li>d. To create security by way of mortgage of spectrum in favour of Lenders subject to regulatory approvals. Further, in case a more favourable term is offered to any other lender to the Obligor Group (except RGBV), the same shall also be applicable to the Lenders of the Facility.</li> <li>e. In case of default in repayment of the loan / advances or in the payment of the interest thereon or any of the agreed installments of the loan on due date/s by the Borrower(s), the Bank and / or the RBI will have an unqualified right to disclose or publish the Borrower(s) name/unit and its directors/ partners / proprietors as defaulter in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.</li> <li>f. The Bank will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time.</li> </ul>



	<p>g. The Borrower(s) shall not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CIBIL (other than as a Nominee/ Professional/ Honorary director). In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board.</p> <p>h. Lenders shall have the right to securitize the loan asset and in the event of such securitization, the Bank is not bound to send an individual intimation to the Borrower(s) or any other Obligor.</p> <p>i. Borrower(s) shall ensure that all insurable assets and the insurable assets of each other Obligor are fully insured</p> <p>j. Bank shall have the right to convert at its option the whole or part of the defaulted amount of the Loan into fully paid-up equity shares of the Borrower(s), at a mutually acceptable formula (or as per SEBI Regulation), if the Borrower(s) commits a default in payment of interest or repayment resulting into an Event of Default.</p> <p>k. It shall, at all times during the currency of the Facility, comply with the environmental, health, safety and social (EHSS) regulations/requirements.</p> <p>l. The Borrower(s) agrees to offer to the Bank, at least pro-rata business relating to remittances, bills / cheque purchase, non-fund based transactions including LCs and BGs, forex transactions and any interest rate or currency hedging business.</p> <p>m. Modify/Amend its Memorandum of Association or Articles of Association as per the requirements of the proposed Facility.</p> <p>n. The Borrowers shall take suitable hedging for foreign currency loan exposures in a form acceptable to Lenders.</p> <p>o. Lenders shall have the right to appoint independent agencies, in consultation with the Borrower(s), for monitoring of the financials and operational performance with cost to be borne by the Borrower(s).</p>
<p>34. Negative Covenants</p>	<p>The Borrower(s) shall not without prior permission of Lenders -</p> <ol style="list-style-type: none"><li>1. Formulate any scheme of amalgamation or reconstruction or change in capital structure, which shall result in dilution of stake held by RCOM in the Obligor Group and its subsidiaries. Global Cloud Xchange Limited transaction as defined in the Lenders Base Case shall be a sole exception to this.</li><li>2. Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the Bank from time to time and approved by the Bank.</li><li>3. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, or company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Bank from time to time and approved by the Bank. However, refinancing may be permitted provided Debt Reduction Undertaking/Covenant being complied with.</li><li>4. Undertake any guarantee obligation on behalf of any other company other than as permitted by the bank and those issued for the benefit of the subsidiaries of the Borrower(s) in telecom related business to the aggregate extent of Rs. 500 cr.</li><li>5. Create any charge, lien or encumbrance over its undertaking/assets or any</li></ol>





	<p>part thereof in favour of any financial institution, bank, company, firm or persons other than as per the Lenders Base Case approved by Bank. Charge creation on refinanced debt may be permitted provided Debt Reduction Undertaking/Covenant being complied with.</p> <p>6. Enter into any contractual obligation of a long-term nature or affecting the company financially to a significant extent.</p> <p>7. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.</p> <p>8. Undertake any trading activity other than as approved by the lenders.</p> <p>9. Permit any transfer of management control from Reliance Group or make any drastic change in the management set-up.</p> <p>10. Invest by way of share capital, Lend or advance funds to or place deposits with any other concern (excluding subsidiaries of the Borrower(s) in telecom related business to the extent of Rs. 500 cr), other than approved as per business plan. Normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended.</p> <p>11. Repay monies brought in by the promoters/ directors/ principal shareholders/related parties of Reliance Group and their friends and relatives by way of deposits/ loans / advances/sub-debt.</p> <p>12. Declare dividends for any year out of the profits relating to that year or of the previous years if the Borrower(s) is in breach of any financial covenants or the Debt Reduction Undertaking or an Event of Default has occurred.</p> <p>13. Assign or mortgage any of the fixed assets charged to the Lenders. However the Borrower(s) shall have the right to sell, lease, transfer or otherwise dispose of its assets in any period of 365 days of an aggregate amount of Rs 125.00 crores.</p>
<p><b>35. Information Covenants</b></p>	<p>The Borrower(s) shall</p> <p>a. Maintain adequate books of accounts and Furnish to the Lenders every year a copy of consolidated audited annual accounts of the RCOM as per Indian GAAP together with compliance certificates within 120 days and unaudited consolidated semi-annual financial statements within 90 days;</p> <p>b. Keep the Lenders informed of the happening of any event likely to have a substantial effect on its profit and business with explanations and the remedial steps proposed to be taken.</p> <p>c. Keep the Lenders advised of any circumstances which could have a material adverse effect on the financial position of its subsidiaries/group companies/companies in which it has large investments/ Obligor Group, including any action taken by the creditor against the said companies.</p> <p>d. Notify any events of default or potential events of default, material litigation and other material matters to the Lenders.</p> <p>e. Provide yearly auditor certifications as required by the Lenders incl. that on the revaluation amounts, etc.</p>
<p><b>36. Undertakings</b></p>	<p>The Borrower(s) undertakes to:-</p> <p>a) Maintain pari-passu ranking of obligations amongst secured lenders</p> <p>b) Offer to the Lenders any favourable term offered to other lenders to the Obligor Group (except RGBV) except pricing terms.</p>

	<p>c) provide right of access/site inspections for Lenders throughout the tenor of the Facility</p> <p>d) Arrange for funds for payments required to be made for the following -</p> <ul style="list-style-type: none"> <li>• Onetime fee on account of spectrum held</li> <li>• License/ Spectrum renewal costs</li> <li>• Any other payment on account of regulatory compliances which has not been considered in the Lenders Base Case.</li> </ul>
<p><b>37. Financial Covenants</b></p>	<p>RCOM Group (consolidated financials of RCOM as per Indian GAAP) shall comply with the following financial covenants throughout the tenor of the Facility including on the date of first disbursement of the Facility:-</p> <ol style="list-style-type: none"> <li>1. Net Worth, shall not be less than Rs. 250,000,000,000 (Rupees Twenty Five thousand crores) for FY 2015 and thereafter;</li> <li>2. The ratio of Net Debt to EBITDA shall not be more than 5.00 as on 31.03.2015 and 4.00 as on 31.03.2016 and thereafter;</li> <li>3. The ratio of EBITDA to Interest Expenses shall not be less than 3.00 for FY'15 and 4.00 for FY 16 and thereafter;</li> <li>4. The ratio of Adjusted EBITDA to Debt Service (Cash DSCR) shall not be less than 1.00</li> <li>5. Asset Cover Ratio shall not be less than 1.10</li> </ol> <p>The above covenants shall be tested annually and semi-annually respectively, on a rolling 12-month basis according to Indian GAAP. The testing for the end of Financial year shall be made on basis of Consolidated Audited Financials of the Borrower &amp; mid of the Financial Year on the basis of Consolidated Unaudited Financials. Testing of covenants shall be done within 120 days from the respective financial year end dates. Testing of Financial Covenants to begin from 31.03.2015. Both testing shall be accompanied by a compliance certificate from the Auditor &amp; the Borrower. For the purpose of the covenants above the definitions of the terms used are as listed below:</p> <p><b>Relevant Period:</b></p> <ol style="list-style-type: none"> <li>(a) each period of 12 calendar months ending on 31 March in any year; or</li> <li>(b) each period of 12 calendar months ending on 30 September in any year;</li> </ol> <p><b>Net Worth</b></p> <p>The aggregate of paid up share capital and the amount standing to the credit of its consolidated reserves, including equity warrants issued to the extent they are paid up, however, after deducting the following:</p> <ol style="list-style-type: none"> <li>(a) all accumulated losses;</li> <li>(b) all deferred expenditures;</li> <li>(c) all deferred tax liabilities; and</li> <li>(d) revaluation amounts. This shall be certified by Statutory Auditor.</li> </ol> <p><b>Net Debt</b></p> <p>Gross Debt as reduced by cash and cash Equivalentents.</p> <p><b>Gross Debt</b></p>

	<p>Sum of all fund based facilities availed by RCOM Group as per the consolidated financials of RCOM as per Indian GAAP</p> <p><b>EBITDA</b> In relation to any period, the net income from ordinary activities (for the avoidance of doubt excluding non-operating income and expense) before taking into account: (a) Tax; (b) Interest Expense; (c) any exceptional or extraordinary items; and (d) amortisation of intangible assets and depreciation of tangible assets</p> <p><b>Interest Expense</b> The aggregate amount of all interest, commissions and fees in respect of moneys borrowed, discounts in respect of bills, notes or debts discounted, and that part of any amount under a financing lease or hire purchase, credit sale, conditional sale or deferred payment agreement which represents any of the foregoing but after deducting any interest income received.</p> <p><b>Adjusted EBITDA - EBITDA for that Relevant Period</b></p> <ul style="list-style-type: none"><li>• less all Taxes payable in respect of that Relevant Period.</li><li>• less realised forex losses</li><li>• less all capital expenditure for the Relevant Period.</li><li>• add cash inflow on account of asset sale/ stake sale for the Relevant Period</li><li>• add additional loans availed during the Relevant Period. This applies only for Financial Year 2015</li></ul> <p><b>Debt Service</b> The sum of: (a) Interest Expense for that period; and (b) that portion of Gross Debt scheduled for repayment in that period;</p> <p><b>Asset Cover ratio</b> The ratio of a) Net Block incl. CWIP and excl. intangible assets &amp; revaluation amounts and b) Gross Debt excluding unsecured loans, if any</p> <p>Additional interest of 1% p.a. shall be levied in case of breach in the above financial covenants. However, a cure period of 30 days shall be available to the Borrower to redress the breach before which the above additional interest shall be applicable. The additional interest thus applied shall be recovered with effect from the date of breach.</p> <p><b>38. Events of Default:</b> The Lenders shall have a right to call an Event of Default on occurrence of the following events; (a) failure to pay any sum when due to the Lenders (b) breach of financial covenants or Debt Reduction Undertaking; (c) breach of covenants; (d) misrepresentation;</p>
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	<p>(e) cross default with other indebtedness (f) Breach of material terms (g) insolvency or initiation of insolvency proceedings with respect to the borrower; (h) cessation of business by the borrower or threat of cessation; (i) invalidity/rescission/unlawfulness of a Finance Document; (j) repudiation of the Finance Document; (k) material proceedings and other litigation including court proceedings on license related issues resulting in a Material Adverse Effect; (l) expropriation, nationalization or moratoria; (m) cessation of telecom licenses (n) Change of Management Control of the Obligor Group; other than due to the notified transactions for which Lenders approval has been obtained (o) cessation of listing of the shares of the RCOM. (p) Failure to comply with license conditions or any revocation thereof (q) The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or security ceases to be effective</p> <p>Besides the loan documents would also incorporate other Events of Default.</p>
39. Consequences of Event of Default	<p>The following inter alia shall be the consequences of Event of Default;</p> <p>a. Acceleration of debt repayment /cancellation of Facility. b. Conversion of debt into equity at a mutually acceptable formula or as per extant SEBI Regulations whichever applicable. c. Appointment of Nominee Directors by the Lenders. d. Enforcement of security</p>
40. Cancellation Clause	<p>The Lenders have a right to unconditionally fully/partially, without notice, cancel the facility -</p> <ul style="list-style-type: none"> <li>&gt; In case the limits/parts of the limits are not utilized by the Borrower(s), and/or</li> <li>&gt; In case of deterioration in the loan accounts in any manner whatsoever, and/or</li> <li>&gt; In case of non-compliance of terms and conditions of sanction</li> </ul>
41. Material Adverse Effect:	<p>Material Adverse Effect will be defined as any event or circumstance which has a material adverse effect on:</p> <p>(a) the business operations, assets or financial condition of RCOM Group and its subsidiaries (taken as a whole); or (b) the ability of RCOM Group to perform the payment obligations and/or comply with the financial covenants contained in the Financing Documentation; or (c) the validity or legality or the enforceability of or any rights or remedies of the lenders under the Financing Documentation.</p>
42. Change of Control:	<p>For the purpose of this clause "control" means the power to appoint and/or remove all or a majority of the members of the board of directors (excluding independent directors) and otherwise directly or indirectly to control or have the power to control the affairs and policies of the Borrower(s).</p>
43. Transferability:	<p>Lender will have the right to freely transfer or assign or novate to one or more persons all or a portion of its rights and obligations under the Facility</p>



	Documentation without the consent of the Borrower(s). However, Lenders shall inform the Borrower(s) of any such assignment/novation/transfer.
44. Governing Law and Jurisdiction	The Facility will be governed by the laws of India and will provide for submission by the Borrower(s) to the non-exclusive jurisdiction of the courts of Mumbai.
45. Documentation	In addition to the terms and conditions given above, the final documentation will contain other customary clauses such as Financial covenants, Representation & Warranties from the Borrower(s), Conditions Precedent to the effectiveness of the loan and Condition Precedent to each disbursement, Affirmative Covenants by Borrower(s), Negative Covenants, Additional Covenants, Information Covenants, Events of Defaults by the Borrower(s) and the Consequences of the Event of Default, RBI disclosure norms, as applicable etc.

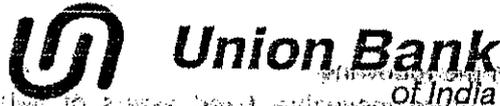
The sanction is subject to company conveying the acceptance of terms and conditions of sanction by returning copy of this letter duly signed by the authorized signatory.

The bank at its discretion reserves the right to withdraw, modify or amend the terms and conditions of credit facilities without any prior notice to the company.

Thanking You,  
Yours faithfully,

(VIPIN SHUKLA)  
CHIEF MANAGER





(भारत सरकार का उपक्रम)  
औद्योगिक वित्त शाखा

(A Government of India Undertaking)  
INDUSTRIAL FINANCE BRANCH

यूनियन बैंक भवन,

Union Bank Bhavan,

239, विधान भवन मार्ग, नरीमन पॉइंट, मुंबई - 400 021

239, Vidhan Bhavan Marg, Nariman Point,

टेलिफोन - 2289 2156, 2289 2022,

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2287 10 55, फॅक्स : 2285 50 37

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IFB: MUM:ADV: SKG: 1031 :16-17

29<sup>th</sup> September, 2016

2016

M/s Reliance Communications Ltd.,

H Block, 1<sup>st</sup> Floor,

Dhirubhai Ambani Knowledge City,

Navi Mumbai - 400710,

Maharashtra.

Dear Sir,

Sub: Review of Term Loan at the sanctioned level of Rs. 300.00 crores

With reference to your request, we are pleased to convey review of the facilities sanctioned to the Company for a period of 3 months, on the following terms and conditions:

(Rs. in crores)

Nature of Limit	Amount		Margin	Int./ Comm.	Security
	Existing	Proposed			
TERM LOAN/DPGL					
Term Loan (RCOM)	275.00	275.00	Nil	SBI BR + 2.50% p.a. i.e.	##
Term Loan (RTL)	25.00	25.00		11.80% p.a. presently (Our bank BR+ 2.20% p.a.)	
<b>TOTAL</b>	<b>300.00</b>	<b>300.00</b>			

## Security:-

Stage - 1 ("Initial Security" already created):

- First pari - passu charge on all the present and future moveable plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) & Reliance Infratel Limited (RITL);
- First paripassu charge on all the rights, title, interest, benefit, in respect of all insurance contracts entered into in relation to the assets described in (1) above;



iii. Negative lien on the following -

- present and future moveable fixed assets of Reliance GlobalcomBV (subject to existing encumbrance as on date of execution of Facility Agreement)
- present and future immoveable assets of the Obligor Group
- Telecom Licenses held by RTL (subject to the existing assignments of the telecom licenses for the benefit of the existing lenders of RTL)
- present & future investments of RCOM in the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)
- cash and cash equivalents of the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)

Stage - 1 ("Initial Security" yet to be created):

Assignment of all telecom licenses of RCOM (UASL, NLD & ILD)

The above security is to be shared on a pari - passu basis with other Secured creditors of the Obligor Group.

Stage - 2 ("Additional Security" which is created)

Pledge by

- a) RCOM over their shareholding in RCIL;
- b) RCOM and Reliance Infocomm Infrastructure Private Limited over their shareholding in RTL.

Stage - 2 ("Additional Security" which is yet to be created)

- i. First pari - passu charge on all present & future moveable fixed assets of the Obligor Group, including, but not limited to moveable Plant and Machinery and Capital Work in Progress
- ii. Assignment of all telecom licenses of the RTL (UASL)
- iii. First pari-passu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group
- iv. First pari-passu charge on all present and future immoveable assets of the Obligor Group
- v. Assignment of rights, titles, interests, benefits, claims and demands in material project contracts incl. insurance proceeds of the Obligor Group.
- vi. Implementation of Co-obligor structure for the Obligor Group. This shall mean joint and several guarantees from each of the members of the Obligor Group to secure the obligations of the Borrower(s) in connection with this Facility.
- vii. Pledge of Reliance Infratel Limited
- viii. Subject to regulatory approvals permitting mortgage of spectrum, all spectrum belonging to the Obligor Group shall be mortgaged in favour of Lenders within 3 months from the date of such permission/notification.

The security in (i) to (viii) shall be created post obtention of consent of existing lenders of respective Obligor Group entities and such other regulatory or statutory approvals, as may be required. The same shall have to be created & perfected within 6 months from the date of first disbursement of the Facility. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, if there is a delay on account of statutory/regulatory reasons, the same shall not be construed as an Event of Default.



The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.

PERSONAL GUARANTEE: Nil

CORPORATE GUARANTEE: Nil

Other approvals:

1. Continuation of existing concessional ROI on term loan at SBI BR + 2.50% p.a i.e 11.80% p.a presently (Our Bank BR + 2.20% p.a)
2. Forbearance of testing of financial covenants (as per sanctioned terms) for period ending 31<sup>st</sup> March, 2016 and waiver of penal interest for non-compliance of the same, subject to similar such approvals by consortium members.
3. Extension of time period up to 31<sup>st</sup> December, 2016 for balance security creation and perfection and waiver of penal interest till such extended period, subject to similar such approvals by consortium members.

Terms and conditions:

- Applicable processing charges of Rs. 50,255/- for the review of the term loan to be paid by the Company.
- Overdues to be recovered immediately in the account of M/s G.F. Toll Road (sister concern of M/s Reliance Communications Ltd.)
- Security perfection to be expedited.
- All other existing terms and conditions to continue.

Kindly acknowledge on the duplicate of this letter for having accepted the terms and conditions.

Thanking you,

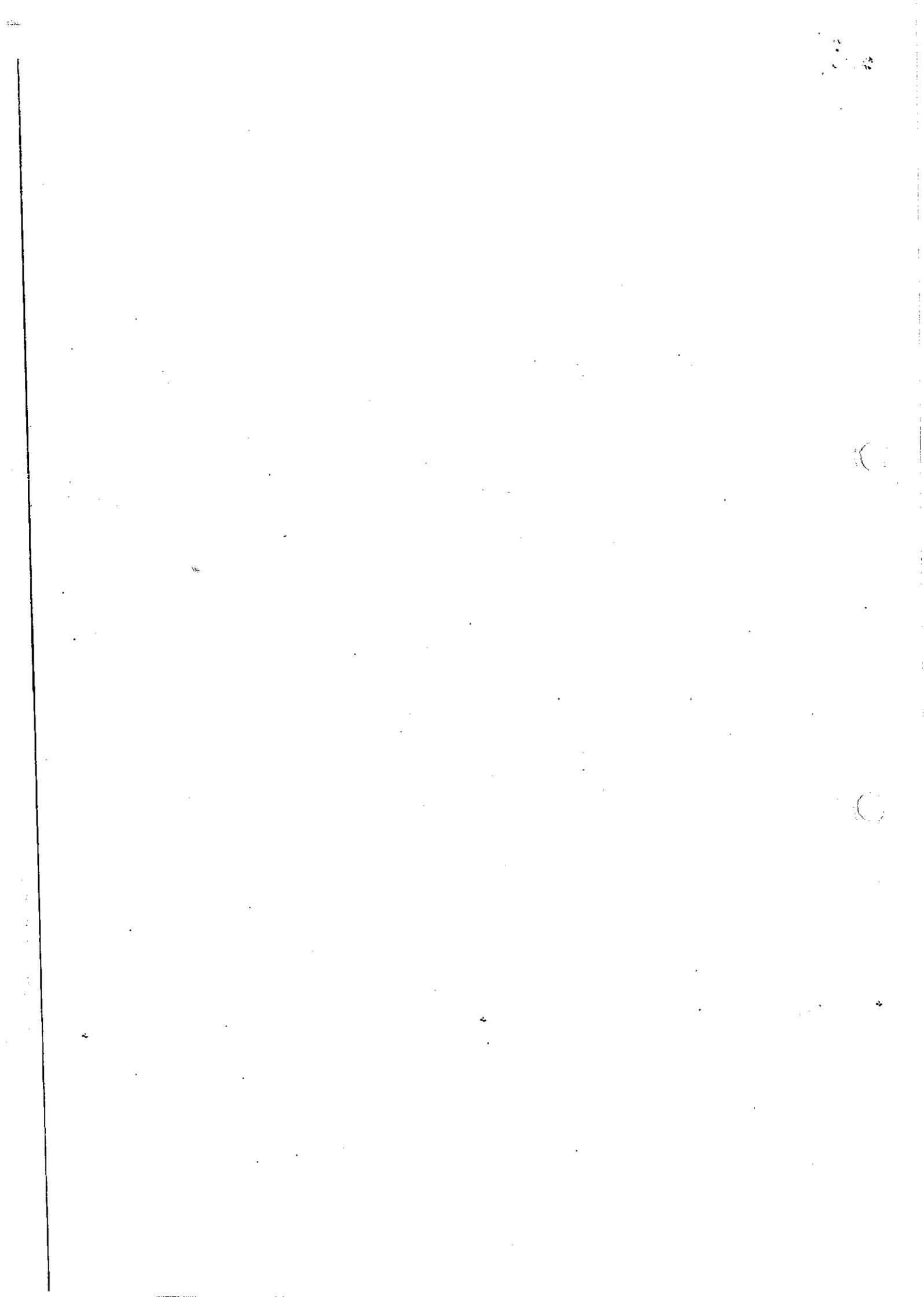
Yours faithfully,

For Union Bank of India

Industrial Finance Branch

  
Authorised Signatory







**Union Bank**

of India

(A Government of India Undertaking)

INDUSTRIAL FINANCE BRANCH

Union Bank Bhavan,

239, Vidhan Bhavan Marg, Nariman Point,  
Mumbai 400 021

Telephone : 2289 2156, 2289 2022,  
2287 10 55, Fax: 2285 50 37

E-Mail : unionib@bol.net.in

(भारत सरकार का उपक्रम)

औद्योगिक वित्त शाखा

यूनियन बैंक भवन,

239, विधान भवन मार्ग, नरीमन पॉइंट, मुंबई - 400 021

टेलिफोन - 2289 2156, 2289 2022,

2287 10 55, फॅक्स : 2285 50 37

ई-मेल : unionib@bol.net.in

IFB: MUM:ADV: SKG: 1964 :16-17

27<sup>th</sup> January, 2017

M/s Reliance Communications Ltd.,  
H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai - 400710  
Maharashtra.

Dear Sir,

Sub: Review of Term Loan at the outstanding level of Rs. 276.00 crores

With reference to your request, we are pleased to convey review of the facilities sanctioned to the Company for a period of one year from 24.01.2017 till 23.01.2018, on the following terms and conditions:

Nature of Limit	Amount		Margin	Int./ Comm.	Security
	Existing	Proposed			
TERM LOAN/DPGL					
Term Loan (RCOM)	253.00	253.00	75.57%	SBI BR + 2.50% p.a. i.e.	##
Term Loan (RTL)	23.00	23.00		11.80% p.a. presently (Our bank BR+ 2.25% p.a.)	
TOTAL	276.00	276.00			

## Security:-

Stage - 1 ("Initial Security" already created):

- i. First pari - passu charge on all the present and future moveable plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) & Reliance Infratel Limited (RITL);



- ii. First paripassu charge on all the rights, title, interest, benefit, in respect of all insurance contracts entered into in relation to the assets described in (1) above;
- iii. Negative lien on the following -
  - present and future moveable fixed assets of Reliance GlobalcomBV (subject to existing encumbrance as on date of execution of Facility Agreement)
  - present and future immoveable assets of the Obligor Group
  - Telecom Licenses held by RTL (subject to the existing assignments of the telecom licenses for the benefit of the existing lenders of RTL)
  - present & future investments of RCOM in the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)
  - cash and cash equivalents of the Obligor Group (subject to existing encumbrance as on date of execution of Facility Agreement)

**Stage - 1 ("Initial Security" yet to be created):**

Assignment of all telecom licenses of RCOM (UASL, NLD & ILD)  
The above security is to be shared on a pari - passu basis with other Secured creditors of the Obligor Group.

**Stage - 2 ("Additional Security" which is created)**

Pledge by

- a) RCOM over their shareholding in RCIL;
- b) RCOM and Reliance Infocomm Infrastructure Private Limited over their shareholding in RTL.

**Stage - 2 ("Additional Security" which is yet to be created)**

- i. First pari - passu charge on all present & future moveable fixed assets of the Obligor Group, including, but not limited to moveable Plant and Machinery and Capital Work in Progress
- ii. Assignment of all telecom licenses of the RTL (UASL)
- iii. First pari-passu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group
- iv. First pari-passu charge on all present and future immoveable assets of the Obligor Group
- v. Assignment of rights, titles, interests, benefits, claims and demands in material project contracts incl. insurance proceeds of the Obligor Group.
- vi. Implementation of Co-obligor structure for the Obligor Group. This shall mean joint and several guarantees from each of the members of the Obligor Group to secure the obligations of the Borrower(s) in connection with this Facility.
- vii. Pledge of Reliance Infratel Limited
- viii. Subject to regulatory approvals permitting mortgage of spectrum, all spectrum belonging to the Obligor Group shall be mortgaged in favour of Lenders within 3 months from the date of such permission/notification.

The security in (i) to (viii) shall be created post obtention of consent of existing lenders of respective Obligor Group entities and such other regulatory or statutory approvals, as may be required. The same shall have to be created & perfected within 6 months from the date of first disbursement of the Facility. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, if there is a delay on account of statutory/regulatory reasons, the same shall not be construed as an Event of Default.



The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.

PERSONAL GUARANTEE: NIL

CORPORATE GUARANTEE: NIL

Other approvals:

1. Continuation of existing concessional ROI on term loan at SBI BR + 2.50% p.a i.e 11.80% p.a presently (Our Bank BR + 2.25% p.a)
2. Extension of time period up to 31<sup>st</sup> March, 2017 for balance security creation and perfection and waiver of penal interest till such extended period, subject to similar such approvals by consortium members.

Terms and conditions:

- Applicable processing charges of Rs. 93,103/- for the review of the term loan to be paid by the Company.
- Term Loan is to be repaid as per the existing repayment schedule as under:

Period ending	Q1	Q2	Q3	Q4
FY 2017	-	-	8%	8%
FY 2018	8%	8%	8%	8%
FY 2019	1%	1%	1%	1%
FY 2020	12%	12%	12%	12%

The repayment due dates of TL instalments are 31<sup>st</sup> December, 31<sup>st</sup> March, 30<sup>th</sup> June and 30<sup>th</sup> September in each year.

- Overdues in the group accounts to be paid.
- All other existing terms and conditions to continue.

Kindly acknowledge on the duplicate of this letter for having accepted the terms and conditions.

Thanking you,

Yours faithfully,

For Union Bank of India  
Industrial Finance Branch

  
Authorised Signatory



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