

मुंबई बृहत कार्पोरेट शाखा :
ओरिएण्टल बिल्डींग, तल मंज्रील,
364, डी. एन. रोड, फोर्ट, मुंबई - 400 001

Mumbai Large Corporate Branch :
Oriental Building, Ground Floor,
364, D. N. Road, Fort, Mumbai - 400 001

दूरध्वनी/Tel.: +9122 2288 4473 / 4476, 6187 0403 / 0405

फैक्स/Fax : +9122 2288 4475, 2288 4474

ईमेल/Email : Mumbai.Lcbb@bankofindia.co.in

बैंक ऑफ इंडिया
Bank of India



Ref. No: MLCB/SRG/2012-13/ 984
Date: 27.12.2012

The Managing Director,
Reliance Communications Ltd
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai - 400 710

Kind Attn: Mr. Shri Vishwas Joshi, President - Corporate Finance

Dear Sir(s),

Rs. 6500 Crore Long Term Facility to R.Com and RTL

We invite reference to letter No. PASF/RCOM/360 dated 24.08.2012 from SBI Capital markets Ltd requesting our bank's participation in the above facility of Rs 6500 crores to Reliance Communication Ltd and Reliance Telecom Ltd and letter No. PASF/RCOM/537 dt 05.11.2012 from SBI Caps enclosing therewith Project Appraisal Report in the instant case. We also invite reference to your request letter in this regard. We are pleased to inform you that the Bank has agreed to participate in the above syndication and has sanctioned Long Term Loan facility to the extent of Rs 700 crores to R.Com on the broad terms and conditions as mentioned in Annexure -I, Annexure II A, II B and Annexure III.

2. Notwithstanding anything to the contrary stated or suggested herein, the outstanding indebtedness, whether actual or contingent, under these facilities is subject to liquidation by you, on first demand by us. Bank shall have the right to sell, transfer, assign or securitize the loan/ advance sanctioned and be disbursed to company.

3. Without prejudice to the demand nature of the advance(s), the/ these credit facility.(ies) will remain in force for a period of one year and is/ are subject to annual review. Next review will fall due on or before **25.12.2013**.

4. The Company to execute necessary security documents for the sanctioned limit(s) duly supported by Board resolution before release of sanctioned limits and create and register stipulated charges with the authorities specified for the purpose within stipulated time limit.

5. The release of credit facilities is also subject to vetting of security documents by the bank's approved advocate and bank's internal procedure of Credit Process Audit. The charges for vetting of documents by the Bank's advocate are payable by Company.



1

प्रधान कार्यालय : स्टार हाऊस, सी-5, जी ब्लॉक, बांद्रा कुर्ला संकुल, बांद्रा (पूर्व), मुंबई - 400 051.

Head Office : Star House, C-5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

वेबसाईट/Website : www.bankofindia.co.in

मुंबई बृहत कार्पोरेट शाखा :
ओरिएण्टल बिल्डींग, तल मंजील,
364, डी. एन. रोड, फोर्ट, मुंबई - 400 001

Mumbai Large Corporate Branch :
Oriental Building, Ground Floor,
364, D. N. Road, Fort, Mumbai - 400 001

दूरध्वनी/Tel.: +9122 2288 4473 / 4476, 6187 0403 / 0405
फैक्स/Fax : +9122 2288 4475, 2288 4474
ईमेल/Email : Mumbai.Lcbb@bankofindia.co.in

बैंक ऑफ इंडिया
Bank of India **BOI**



6. In case of default in the repayment of loans/advances/above said facilities or in the repayment of interest thereon or any of the installment of Loan as per stipulated terms, or in the event of diversion or siphoning off or utilizing the said facilities for any other purpose other than for which is granted, the Bank and/or RBI and/or CIBIL will have an unqualified right to disclose or publish the name of the company/firm or its directors/partners as defaulters in such manner and through such medium as the Bank or RBI/CIBIL or ECGC or such other agency authorized by them, in their absolute discretion may think fit.

7. Please arrange to pay applicable processing charges/upfront Fee of Rs 175 lakhs + ST at the earliest. In addition, documentation charges of Rs.20000/-+ST will be recovered at the time of documentation.

8. Please note that amendments/modifications in sanction terms will attract amendment/modification fees @Rs.1.50 lakhs +ST per occasion.

9. We are also pleased to advise that our Bank is now one stop shop for all your financial activities including investments, as we have entered into tie up arrangement with various Mutual Funds. We therefore request you to take advantage of this and route your Mutual Fund investments through Banks Distribution Code ARN 4481 with sub-broker code as 0160. Company is also requested to assist the Bank in its effort in retail finance to employees for consumer durables/personal/home loans as also Personal Insurance and other Mutual Fund products being marketed by our Bank. Our Marketing department officials will contact you in this regard.

10. This letter is issued in duplicate. Please return duplicate copy duly signed by authorized signatory (ies) of Reliance Communication Limited in token of having accepted the stated terms and conditions, to enable us to proceed with the necessary documentation and other compliance.



Yours faithfully,

(A. K. CHHABRA)
Asst General Manager

Accepted Term of Sanction

For Reliance Communication Limited

ANNEXURE - I**Limits:****(Rs in crores)**

| Limits | Existing | Proposed | Pricing | | |
|------------------|--|-----------|--|-----------|-----------|
| FB Limits | | | | | |
| Rupee Term Loan | - | 700.00 | 2.5% over SBI Base rate present effective 12.25% p.a. including tenor premium. | | |
| Repayment of TLs | Proposed term loan of Rs 700 crores is repayable in 14 structured quarterly installments after Moratorium of 48 months. | | | | |
| | | 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% |
| | | Rs crores | | | |
| | | Q1 | Q2 | Q3 | Q4 |
| FY 2017 | | - | - | 56 | 56 |
| FY 2018 | | 56 | 56 | 56 | 56 |
| FY 2019 | | 7 | 7 | 7 | 7 |
| FY 2020 | | 84 | 84 | 84 | 84 |
| | The repayment due dates shall be 31 st December, 31 st March, 30 th June and 30 th September in each year commencing from 48 months after 1 st draw down. Door to door tenor – 7.5 years Average Maturity: 5.76 years. | | | | |



SECURITY: Security for the facility shall be created in two stages – namely stage-1 and stage- 2.

(Rs. in crore)

Principal – Particulars

Stage 1:

- 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 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;
- iii. Assignment of all telecom licenses of RCOM (UASL, NLD and ILD)
- iv. 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)

Stage - 2 (“Additional Security”)

- v. 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.
- vi. First pari-passu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group.
- vii. First pari-passu charge on all present and future immovable assets of the Obligor Group.
- viii. Assignment of rights, titles, interests, benefits, claims and demands in material project contracts incl. insurance proceeds of the Obligor Group.
- ix. 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.
- x. Pledge by:
RCOM over their shareholding in RCIL;
RCOM and Reliance Info-comm Infrastructure Private Limited over their shareholding in RTL.



Approval has also been granted for the following:

- a. Interim disbursement to the extent of maximum 50% (maximum Rs 350 crores) of the facility amount immediately after execution of standalone documents, before full tie up of Rs. 6500.00 crores and pending creation of security as per Term Sheet for interim disbursement (Annexure II a)
- b. 4 months time has been granted for security creation for interim disbursement.
- c. The balance 50% disbursement shall be available until 31st March 2013

Terms and conditions for New Term Loan including interim disbursement :

- a) Documents to be obtained on standalone basis will be subject to approval of our legal department.
- b) Disbursement except interim disbursement shall be routed through an account maintained with SBI who will ensure payments for the purpose as mentioned in SBI CAPS IM.
- c) Initial disbursement will be made directly to the company after receiving the draw down notice
- d) Utilization certificate is to be submitted within 60 days from Statutory Auditor and 30 days from Company.
- e) The interim disbursement facility would be available till 6 months after the date of sanction. Any undrawn amount of the Facility at the end of the Availability Period will be automatically cancelled and will not be available for drawing.
- f) Interim disbursement should be paid off within 6 months out of disbursement of Long term loan of Rs. 700.00 crores. 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.
- g) The security in (1) (2) & (4) above shall be created before first disbursement of rupee term loan of Rs 700 crores and (3) within 6 months from the date of first disbursement.
- h) The security in (5), (6), (7), (8) (9) & (10) above 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.
- i) The same shall have to be created & perfected within 6 months from the date of first disbursement of the Facility.
- j) The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.
- k) 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.
- l) The company should create security within time lines as indicated above and as indicated in Term Sheet (Annexure II B). An additional interest of 1% p.a. shall be levied in case of non-adherence to security creation timelines.
- m) All Security as above is to be held by Security Trustee Axis Trustee Services Limited (ATSL) for the benefit of Lenders in a form and manner satisfactory to State Bank of India.



- n) The Company is to agree to create a Co-Obligor structure wherein Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL), Reliance Infratel Limited (RITL) and Reliance Globalcom BV (RGBV) shall be jointly and severally liable for each other's debt liabilities:
- o) Obtention of waiver/modification from ECB lenders for deviation in financial covenants to obtained within 3 months of interim/1st disbursement of TL
- p) Minimum Asset Coverage of 1.1 based on consolidated financials of R. Com; Asset cover to include only tangible assets.
- q) 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:-
- i. Net Worth, shall not be less than Rs. 250,000,000,000 (Rupees Twenty Five thousand crores);
 - ii. The ratio of Net Debt to EBITDA shall not be more than 5.82 as on 31.03.2013 and 4.00 thereafter;
 - iii. The ratio of EBITDA to Interest Expenses shall not be less than 3.00 for FY'13 & FY'14 and 4.00 thereafter;
 - iv. The ratio of Adjusted EBITDA to Debt Service shall not be less than 1.00
 - v. Asset Cover Ratio shall not be less than 1.10
- r) **All other terms and conditions as per Annexure II a, II b and Annexure III.**



ANNEXURE II-A

Term Sheet for Interim Disbursement:

| | | |
|----|---|---|
| 1 | Borrower | Reliance Communications Ltd. (RCOM) |
| 2 | Facility | Interim disbursement within the proposed Long Term Rupee Loan of Rs 700 Cr to RCOM |
| 3 | Purpose | For repayment of existing loans on their maturity. |
| 4 | Amount | Rs. 350.00 Cr |
| 5 | Pre-payment | Prepayment without pre-payment penalty permitted |
| 6 | Security | 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 pari passu 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 and vetted by our legal department |
| 8 | Repayment | From disbursement of Long Term Rupee Loan of Rs 700 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 of interim disbursement. (b) If Long Term Rupee Loan is not disbursed for what so ever 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. |



ANNEXURE II B

Reliance Communications Limited

Terms and Conditions for Rs 6500 crore Term Loan Facility

| | |
|---------------------------------|---|
| 1. Reliance ADA Group: | "Reliance ADA 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 ADA Group"). |
| 2. Borrower(s) : | Reliance Communications Ltd. (RCOM) |
| 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 "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.6,500 Crore under a consortium arrangement to the Borrower(s) earmarked as under <ul style="list-style-type: none"> - Rs. 6,000 Cr to Borrower 1 (RCOM) & - Rs. 500 Cr to Borrower 2 (RTL) All terms & conditions mentioned herein shall apply to both term loans of the Facility. Our Bank's share – Rs 700 crores to R.Com |
| 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. State Bank of India Facility | A Rupee Term Loan of Rs 1,625 Cr |
| 9. Syndicated Amount | A Rupee Term Loan of Rs 4,875 Cr Share of BOI – Rs 700 crores |
| 10. Syndicator/ Sole Arranger | SBI Capital Markets Ltd. (SBICAPS) shall be the sole arranger for the Facility |
| 11. Signing Date: | The date on which the loan documentation for the Facility (the "Facility Agreement") is signed by the parties thereto. |
| 12. Lenders Base Case | The business plan and financial projections as accepted by the Lenders at the time of sanction. |



| 13. Validity Period | The sanction terms shall be valid up to a period of six months from the date of sanction. | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----|-----|-----|----|----|---------|---|---|----|----|---------|----|----|----|----|---------|----|----|----|----|---------|-----|-----|-----|-----|
| 14. Availability Period: | - For Borrower 1 : Until 31 st March 2013. Any undrawn amount of the Facility at the end of the Availability Period will be automatically cancelled and will not be available for drawing. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15. Moratorium | Upto 30 th September 2016 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. Repayment | Principal Repayment in 14 structured quarterly installments post Moratorium. For both term loans i.e. Rs 6,000 Cr to RCOM and Rs 500 Cr to RTL. <table border="1" data-bbox="587 607 1289 824"> <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> The repayment due dates shall be 31 st December, 31 st March, 30 th June and 30 th September in each year. | | 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 | | | | | | | | | | | | | | | | | | | | | | |
| FY 2017 | - | - | 8% | 8% | | | | | | | | | | | | | | | | | | | | | | |
| FY 2018 | 8% | 8% | 8% | 8% | | | | | | | | | | | | | | | | | | | | | | |
| FY 2019 | 1% | 1% | 1% | 1% | | | | | | | | | | | | | | | | | | | | | | |
| FY 2020 | 12% | 12% | 12% | 12% | | | | | | | | | | | | | | | | | | | | | | |
| 17. Door to Door Tenor | 7years and 6 months | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18. Interest Rate | Floating rate of interest equivalent to SBI Base Rate (SBBR) plus a "Spread" of 2.50% present effective 12.25% p.a. with monthly rests. 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 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19. Trigger for Re-Pricing of Rate of Interest | 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. i. Interest Coverage Ratio ii. Return on Capital Employed iii. TOL/TNW iv. Gross DSCR; However, the same shall not be below 1 at any point of time during the tenor of the Facility. v. Current Ratio 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. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20. 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. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21. Upfront fees | Upfront fees of 0.25% of the loan amount documented. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22. Commitment Fee | Commitment fee of 1.20% on the amount of undrawn amounts i.e. variance in actual disbursements with respect to quarterly | | | | | | | | | | | | | | | | | | | | | | | | | |



| | |
|---|--|
| | <p>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> |
| 23. 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"> At the instance of the Lenders; From the surplus internal accruals generated by the Project with 30 days prior notice period with such prepayment being made once in financial year, From proceeds of strategic sale of assets of group entities or equity infusion. 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 |
| 24. Liquidated damages defaulted payments | <p>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"> - in respect of Principal & interest or any other monies due on their respective due dates. - In case of Cross Default to other lenders <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> |
| 25. Security | <p>Security for the Facility shall be created in two stages – namely Stage - 1 & Stage - 2</p> <p><u>Stage - 1 ("Initial Security")</u></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"> 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) & Reliance Infratel Limited (RITL);

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 and 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 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)

The security in (1) (2) & (4) shall be created before first disbursement 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 immoveable 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.



| | |
|-------------------------|--|
| | <p>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> <p>a) RCOM over their shareholding in RCIL;</p> <p>b) RCOM and Reliance Infocomm Infrastructure Private Limited over their shareholding in RTL.</p> <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.</p> <p>The security in (5), (6), (7), (8) (9) ,(10) & (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 & 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> |
| 26. Additional Interest | <p>In case the Obligor Group fails to create & perfect the Security (for both Stage - 1 & Stage - 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 & 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 & 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> |



| 27. Stake sale/ Equity infusion | <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="552 342 1238 488"> <thead> <tr> <th>Financial Year</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31st March 2013</td> <td>5,000</td> </tr> <tr> <td>31st March 2014</td> <td>10,400</td> </tr> <tr> <td>31st 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 st March 2013 | 5,000 | 31 st March 2014 | 10,400 | 31 st March 2015 | 1,000 | | |
|---|---|----------------|----------------|-----------------------------|--------|-----------------------------|--------|-----------------------------|--------|---------------------------------|--------|
| Financial Year | (Amount in Cr) | | | | | | | | | | |
| 31 st March 2013 | 5,000 | | | | | | | | | | |
| 31 st March 2014 | 10,400 | | | | | | | | | | |
| 31 st March 2015 | 1,000 | | | | | | | | | | |
| 28. Debt Reduction Undertaking/ Covenant | <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="552 869 1238 1055"> <thead> <tr> <th>As on</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31st March 2013</td> <td>41,000</td> </tr> <tr> <td>31st March 2014</td> <td>32,500</td> </tr> <tr> <td>31st 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 st March 2013 | 41,000 | 31 st March 2014 | 32,500 | 31 st March 2015 | 29,000 | And thereafter shall not exceed | 25,500 |
| As on | (Amount in Cr) | | | | | | | | | | |
| 31 st March 2013 | 41,000 | | | | | | | | | | |
| 31 st March 2014 | 32,500 | | | | | | | | | | |
| 31 st March 2015 | 29,000 | | | | | | | | | | |
| And thereafter shall not exceed | 25,500 | | | | | | | | | | |
| 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> <ol style="list-style-type: none"> Ties-up the entire debt requirements envisaged in the Facility. 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 Confirms/undertakes that name of none of the directors appears in RBI's/CIBIL's Defaulters' list/ECGC Caution List undertakes that the Obligor Group are in compliance with all matters pertaining to licenses and regulations. | | | | | | | | | | |



31. Conditions
Precedent:

Prior to first disbursement under the Facility, the Borrower(s) shall, to the satisfaction of the Lenders, have complied with the following:-

(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.

(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..

(c) Create/perfect the security as envisaged under the Security clause within the stipulated time periods.

(d) Provide an undertaking that –

- 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.

- 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.

- Cash infusion on account of stake sale transactions i.e Rs. 5000 crs in FY'13, Rs. 10,400 crs in FY'14 & 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.

(e) Submission of certified copies of constitutional documents of each of Obligors;

(f) Submission of certified copies of appropriate board resolutions and other corporate authorizations;

(g) Submission of certified copies of all approvals including



| | |
|----------------------------------|---|
| | <p>regulatory and shareholder approvals to the extent applicable;</p> <p>(h) 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>However, any disbursement to RTL under the Facility shall be made only subsequent to creation of "Additional Security".</p> |
| <p>32. Affirmative Covenants</p> | <p>The Borrower(s) agrees that or shall ensure that (as applicable):-</p> <p>a. Reliance ADA 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.</p> <p>b. All statutory clearances as applicable shall be obtained and maintained at all times during the tenor of the Facility.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>g. The Borrower(s) shall not induct into its Board a person whose name appears in the willful 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 its assets and the 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</p> |



| | |
|-------------------------------|--|
| | <p>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, atleast 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. 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>33. Negative Covenants</p> | <p>The Borrower(s) shall not without prior permission of Lenders –</p> <ol style="list-style-type: none"> 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. 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. 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. 4. Undertake any guarantee obligation on behalf of any other company other than as permitted by the bank (excluding subsidiaries of the Borrower(s) in telecom related business to the aggregate extent of Rs. 500 cr). 5. Create any charge, lien or encumbrance over its undertaking/assets or any part thereof in favor of any financial institution, bank, company, firm or persons other than as per the Lenders Base Case approved by Bank. 6. Enter into any contractual obligation of a long-term nature or affecting the company financially to a significant extent. 7. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc. 8. Undertake any trading activity other than as approved by the lenders. 9. Permit any transfer of management control from Reliance ADA |



| | |
|---------------------------|--|
| | <p>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 ADA 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 Cr.</p> |
| 34. Information Covenants | <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 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> |
| 35. Undertakings: | <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 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"> • Onetime fee on account of spectrum held • License/ Spectrum renewal costs • Any other payment on account of regulatory compliances which has not been considered in the Lenders Base Case. |
| 36. Financial Covenants: | <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"> 1. Net Worth, shall not be less than Rs. 250,000,000,000 (Rupees Twenty Five thousand crores); 2. The ratio of Net Debt to EBITDA shall not be more than 5.82 as on 31.03.2013 and 4.00 thereafter; 3. The ratio of EBITDA to Interest Expenses shall not be less than 3.00 for FY'13 & FY'14 and 4.00 thereafter; 4. The ratio of Adjusted EBITDA to Debt Service shall not be less than 1.00 5. Asset Cover Ratio shall not be less than 1.10 <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 & 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:</p> <p>Relevant Period:</p> <p>(a) each period of 12 calendar months ending on 31 March in any year; or</p> <p>(b) each period of 12 calendar months ending on 30 September in any year;</p> <p>Net Worth</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"> (a) all accumulated losses; (b) all deferred expenditures; (c) all deferred tax liabilities; and (d) revaluation amounts. This shall be certified by Statutory Auditor. <p>Net Debt</p> <p>Gross Debt as reduced by cash and cash Equivalents.</p> |



Gross Debt

Sum of all fund based facilities availed by RCOM Group as per 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
- less all capital expenditure for the Relevant Period.
- add cash inflow on account of asset sale/ stake sale for the Relevant Period
- add additional loans availed during the Relevant Period.
This applies only for Financial Year 2013

Debt Service

The sum of:

- (a) Interest Expense for that period; and
- (b) that portion of Gross Debt scheduled for repayment in that period;

Asset Cover ratio

The ratio of a) Net Block incl. CWIP and excl. intangible assets & revaluation amounts and b) Gross Debt excluding unsecured loans, if any

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.



| | |
|--------------------------------------|---|
| 37. Events of Default: | <p>The following inter-alia would be the Events of Default:</p> <p>(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; (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> |
| 38. 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> |
| 39. Cancellation Clause | <p>The Lenders have a right to unconditionally fully/partially, without notice, cancel the facility –</p> <ul style="list-style-type: none"> ➤ 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 |
| 40. 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> |



| | |
|------------------------------------|---|
| 41. Change of Control: | 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). |
| 42. Transferability: | 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. |
| 43. 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. |
| 44. Documentation | 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. |



OTHER TERMS, CONDITIONS & COVENANTS ETC. APPLICABLE TO THE SANCTIONED FACILITIES:

1. Without prejudice to the demand nature of the advance(s), the/ these credit facility(ies) will remain in force for a period of one year and is/ are subject to annual review.
2. The Company to execute necessary security documents/ renewal documents for sanctioned limit(s) duly supported by Board resolution and create and register stipulated charges with the authorities specified for the purpose within stipulated time limit before release of sanctioned limits.
3. The company to display bank's hypothecation plate/ board at its Unit/ business premises indicating that stocks/ assets are hypothecated to the Bank.
4. All the assets charged/ to be charged to the Bank to be kept fully insured at all times against all risks (FRSD, Burglary, comprehensive risks etc.) and copy of Insurance cover note / policy in the name of the Bank a/c borrower firm/ Company with Bank's Hypothecation clause to be submitted to the Bank.
5. The Company to submit copy of statutory permissions/ clearances like 'NOC' from Pollution Control Board and ensure for timely renewal of same from time to time.
6. Inspection will be done on annual basis (in rotation by consortium member banks) or as and when required by the bank. The Bank has the right of deputing its officials/ person(s) (like qualified auditors or management consultants or technical experts) duly authorised by the Bank to inspect the unit, assets, books of accounts/ records etc. from time to time. Also the Bank may appoint, at its sole discretion, stock/ concurrent auditors, valuers, consultants for specific jobs relating to company's/ firm's activities, the cost of which will be borne by the company/ firm.
7. Penal interest of 2% p.a. will be levied on the overdue amount for the period account remains overdrawn due to irregularities such as – non payment of interest immediately on the day of application, non payment of installments within one month of their falling due, etc. If the account continues to be overdrawn for a period of 90 days, the bank may consider initiation of other action also as deemed fit by the bank.
8. Any default in complying with terms of sanction within the stipulated time will attract penal interest of 1% p.a. from the date of expiry of such time.
9. In case of default either in the payment of interest, the repayment of the principal amounts as and when due and payable or reimbursement of all costs, charges and the expenses when demanded, you shall pay additional interest at the rate of 2% above the interest rate for the facilities on the overdue



interest, costs, charges or expenses and/or from the respective due dates for payment and/or repayment.

10. CMA data to be submitted at least one month before the due date of review. Any delay without specific approval from the bank will attract penal rate @1% p.a. In case CMA data is not submitted for a continuous period of three months, the bank may take further action as deemed fit by the Bank

11. Company to declare/ undertake to us:

- ✓ to supply to us, audited financial statements of the firm/company within 6 months from closure of financial year. Any delay in submitting these audited financial statements without our specific approval will attract penal interest @1%p.a. In case these statements are not received by us for a continuous period of 3 months, the bank may take further action as deemed fit by the bank.
- ✓ to provide to us promptly information (alongwith comments/explanation) about all material and adverse changes in your project/business, ownership, management, liquidity, financial position etc.
- ✓ that any liabilities or obligations under the facilities shall not, at any time, rank postponed in point and security to any other obligation or liabilities to other lending institutions or banks or creditors, unless expressly agreed or permitted by bank.
- ✓ not to create or permit to subsist any mortgage, charge (whether floating or specific), pledge, lien or other security interest on any of your undertakings, properties or assets, without our prior consent in writing.

12. A stamped undertaking to be submitted in favour of the Bank to the following effect that during the currency of bank's credit facilities, the company/ firm shall not, without our permission in writing :-

- ✓ effect any adverse changes in company's/ firm's capital structure.
- ✓ formulate any scheme of amalgamation or merger or reconstruction.
- ✓ implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank;
- ✓ enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India.
- ✓ invest by way of share capital in or lent or advance funds to or place deposits with any other company/ firm/ concern (including group companies/ associates)/ persons. Normal trade credit or security deposit in the normal course of business or advance to employees can, however be extended.
- ✓ undertake guarantee obligations on behalf of any other company/ firm/ person.
- ✓ declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions.
- ✓ make any drastic change(s) in its management set -up.



- ✓ approach capital market for mobilising additional resources either in the form of Debts or equity.
 - ✓ sell or dispose off or create security or encumbrances on the assets charged to the bank in favour of any other bank, financial institution, company, firm, individual.
 - ✓ repay monies brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the company/ firm by way of deposits/ loans/ share application money etc.
13. Declare the relationship, if any, of the directors of the company with the directors of the bank and senior officers of the bank.
14. The Bank reserves its right to appoint its nominee on Company's Board of Directors - part time/ full time to oversee the functioning of the company/ to look after bank's interests. In case of default.
15. Firm/ Company is permitted to open/ maintain following C/D accounts with other banks/ branches of our bank for specified purposes subject to submission of bank statements of these accounts to us every month/ quarter for our perusal. firm/ Company will be required to close these accounts as and when required by bank.
16. The company/ firm to submit a stamped declaration cum undertaking to the effect that:
- ✓ the company/ firm or its directors/ partners/ promoters/ guarantors/ associate concerns of the company/ firm are not on ECGC Caution list/ specific approval list, RBI's defaulters/ caution list, COFEPOSA defaulters list or our bank's defaulters list, and that no director of the company is disqualified u/s 274 of the Companies Act.
 - ✓ No legal case of any nature has been filed against the company/ its associates affecting the financial position substantially, and in case of any suit is/ will be filed against the Company, the bank shall be kept informed;
 - ✓ the company shall not induct a person who is/ was a director in a company, which has been identified as a 'Willful defaulter' by the Bank, RBI or CIBIL or any bank/ FI, on company's Board and if such a person is found to be on the Company's Board, the company shall take expeditious and effective steps for removal of such person/s from Company's Board.
17. The credit facilities shall be utilised only for the purposes for which same are granted and said facilities shall not be 'diverted' or 'siphoned off' or used for any other purposes.
18. In case of default in the repayment of loans/ advances/ above said facilities or in the repayment of interest thereon or any of the installment of Loan as per stipulated terms, or in the event of diversion or siphoning off or utilising the said facilities for any other purpose other than for which it is granted, the Bank and/ or RBI and /or CIBIL will have an unqualified right to disclose or publish the name of the company/ firm or its directors/ partners as defaulters in such manner and through such medium as the Bank or RBI or CIBIL or such other agency authorised by them, in their absolute discretion may think fit.



19. Bank assumes no obligation whatsoever to meet your further (fund based or non fund based requirements on account of growth in business or otherwise without proper revision and sanction of credit limits decided at the sole discretion of the bank. Further, if sanction terms are not complied with by you or if your account is classified as Non-performing Asset (NPA), then bank may not allow further withdrawals in the account.
20. a) Notwithstanding what is stated herein above, we shall at any time and from time to time, be entitled to notify you and charge interest/ commission/ charges at such notified rates and this letter shall be construed as if such revised rates were mentioned herein.
- b) You shall pay to or reimburse all costs, charges, expenses (including charges between the attorney or counsel and bank and those of our internal legal adviser/ officer and other experts, consultants or professionals), disbursements, taxes, fees, stamp duties etc. whatsoever, incidental or to arising out of the facilities, their negotiation, the preparation, execution, registration and stamping of the documents relating thereto, the preservation or protection of our rights and interests of the enforcement or realisation of any security or any demand or any attempted recovery of the amounts due from you.
21. We shall be entitled to debit the amounts of all costs, charges and expenses to your account and such amounts shall stand secured by all securities given to or created in our favour in connection with the facilities. You indemnify and keep us fully and completely indemnified from time to time against the liabilities including all costs, charges and expenses stipulated herein whether debited to your account or not.
22. Any failure to exercise or delay in exercising any of our rights hereunder or under any other documents will not act as a waiver of that or any other right nor shall any single or partial exercise preclude any future exercise of that right.
23. So long as any monies are due to us from you under any of the facilities, we shall have a lien/ charge for such amounts on all your credit balances, deposits, securities or other assets with, any of the branches of Bank of India or of its subsidiaries any where in the world and upon the happening of any of the events of default referred herein, we shall be entitled to exercise a right of set off between the amounts due and payable to us and the said credit balances, deposits, securities and other assets.
24. You shall not, except after prior written permission from us, make any alterations in your constitution, controlling ownership or any documents relating to its constitution or any other material change in your management or in the nature of your business or operations during the period of the subsistence of facilities.
25. The bank reserves the right to discontinue any/ all the credit facilities granted without giving you any prior notice in case of non-compliance and/ or breach of any of the terms and conditions based on which the facilities have been sanctioned to you and/ or if any information/ particulars/ documents furnished by you are found to be incorrect.



26. The Bank carries out the credit rating exercise every year when the facilities are reviewed. However, it reserves the right to carry out the credit rating exercise of the facilities at frequencies considered necessary and the rate of interest chargeable to the facilities would depend upon the rating obtained by the borrowing firm/ Company.
27. The Bank reserves the right to add, amend, alter, cancel and modify any of the terms and conditions stipulated herein above with or without any prior reference to you. Further, the bank's general rules governing advances shall also apply. The company/ firm to abide by such terms and conditions as the bank may stipulate from time to time.
- *****



मुंबई बृहत कार्पोरेट शाखा :
ओरिएण्टल बिल्डींग, तैल मंज़ील,
364, डी. एन. रोड, फोर्ट, मुंबई - 400 001

Mumbai Large Corporate Branch :
Oriental Building, Ground Floor,
364, D. N. Road, Fort, Mumbai - 400 001

दूरध्वनी/Tel.: +9122 2288 4473 / 4476, 6187 0403 / 0405
फैक्स/Fax : +9122 2288 4475, 2288 4474
ईमेल/Email : Mumbai.Lcbb@bankofindia.co.in

बैंक ऑफ इंडिया **BOI** 
Bank of India

Ref. No: MLCB/NRK/2014-15/848-A

Date: 21.01.2015

Managing Director
Reliance Communications Ltd
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai – 400 710



26/02/2015

Dear Sir

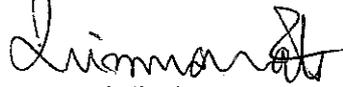
Other Terms of Sanction

In continuation to our sanction letter No. MLCB/NRK/2014-15/848 dated 21.01.2015, we are now pleased to provide supplemental terms mentioned as under

- i) Proposal processing charges of Rs. 5.25 crores + ST (0.75% of Rs. 700.00 crores + ST) (all inclusive) shall be payable at the time of documentation.
 - ii) Existing loan of Rs. 350.00 crores will be converted into long term loan. Balance Rs. 350.00 crores will be released upon infusion of equity of Rs. 12208.00 crores in FY 2014-15 and compliance of terms and conditions as stated earlier in sanction letter dated No. MLCB/NRK/2014-15/848 dated 21.01.2015.
 - iii) Company shall submit Statutory Auditor certificate for infusion of equity of Rs. 12208.00 crores before release of balance term loan of Rs. 350.00 crores.
 - iv) 1% commitment charges would be recoverable on unutilised amount of Rs. 350.00 crores from 01.09.2014 till availment of Long term loan.
2. Notwithstanding anything to the contrary stated or suggested herein, the outstanding indebtedness whether actual, under these facilities is subject to liquidation by you, on first demand by us.
 3. This letter is issued in duplicate. Please return duplicate copy duly signed by an authorised signatory in token of having accepted the terms and conditions.

Yours faithfully,

For Reliance Communications Limited


Authorised Signatory


(Anjali Bhatnagar)
Asst General Manager



मुंबई ब्रह्म कॉर्पोरेट शाखा :
ओरिएण्टल बिल्डींग, तल मंजील,
364, डी.एन. रोड, फोर्ट, मुंबई - 400 001

Mumbai Large Corporate Branch :
Oriental Building, Ground Floor,
364, D.N. Road, Fort, Mumbai - 400 001

दूरध्वनी/Rel.: +9122 2288 4473 / 4476, 6187 0403 / 0405
फैक्स/Fax : +9122 2288 4475, 2288 4474
ईमेल/Email : Mumbai.Lcbb@bankofindia.co.in

बैंक ऑफ इंडिया
Bank of India **BOI** 

Ref No: MLCB/SSS/2014-15/1059

Date: 27.03.2015

Managing Director
Reliance Communications Ltd
H Block, 1st Floor
Dhirubhai Ambani Knowledge city
Navi Mumbai- 400710

Dear Sirs,

Modification in sanction terms

We invite reference to your request letter dated 03.02.2015 for modification in sanctioned terms. We are pleased to advise the modification as under:-

a) Disbursement of balance limit of Rs. 350.00 crore pending equity infusion of Rs. 6100.00 crore to be complied before 31.03.2015, failing which additional interest of 0.50% p.a. from 01.04.2015 will be charged on fund based limits.

2. However company to pay:

a) Proposal processing charges : 0.75% of loan amount + S.T. (already paid).

b) Commitment charge from 01.01.2015, till the date of avilment of Rs. 350.00 crore at 1% + S.T.

c) Modification charges of Rs. 1.50 lakh + S.T.

3. Notwithstanding anything to the contrary stated or suggested herein, the outstanding indebtedness, whether actual or contingent, under these facilities is subject to liquidation by you, on first demand by us.



4. This letter is issued in duplicate. Please return the duplicate duly signed by authorized signatory (ies) of the company in token of having accepted the stated terms and conditions.

5. All other existing terms and conditions and also terms and conditions conveyed to you vide letter Ref No. MLCB/NRK/2014-15/848 dated. 21.01.2015 remain unchanged.



Yours faithfully

A handwritten signature in black ink, appearing to read "K. Soundararajan".

(K. Soundararajan)
Assistant General Manager

For Pallante Communications Limited

A large, stylized handwritten signature in black ink, likely belonging to an authorized signatory for Pallante Communications Limited.

Authorized Signatory