

Minutes of the proceedings of the meeting No. 08/2016-17 of the Board of Directors of Reliance Communications Limited held on Saturday, the 11th February, 2017 at 3.30 p.m. at Board Room, 8th Floor, Reliance Center, Near Prabhat Colony, Off. Western Express Highway, Santacruz (East), Mumbai – 400 055.

Directors Present

Shri Anil D. Ambani	-	Chairman
Prof. J. Ramachandran	-	Director
Shri A. K. Purwar	-	Director
Shri Deepak Shourie	-	Director
Shri R. N. Bhardwaj	-	Director
Smt. Manjari Kacker	-	Director

In Attendance

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

By Invitation

Shri Gurdeep Singh	-	Chief Executive Officer – Wireless (Present for item No.9)
Shri Suresh Rangachar	-	President – Commercial (Present for Item No. 10)
Shri Punit Garg	-	President–Regulatory and Corporate Affairs (Present for item Nos.11 to 13)

Chairman

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

- 1. Leave of absence:** All the Directors were present at the meeting.
- 2. To peruse and approve the Minutes of the proceedings of the meeting of the Board of Directors of the Company held on 21st December, 2016.**

Minutes of the proceedings of the meeting of the Board of Directors of the Company, held on 21st December, 2016, circulated to the Directors and placed before the meeting, were confirmed by the Board and signed by the Chairman.
- 3. To take note of Circular Resolutions passed by the Committee of the Board of Directors of the Company in the matter of issue of duplicate share certificates to the Shareholders of the Company.**

The Board was informed that at the meeting of the Board of Directors held on 24th June, 2014, a Committee of Directors comprising of Shri Anil D. Ambani, Chairman and Shri A. K. Purwar and Shri R. N. Bhardwaj, Directors was constituted for issue of duplicate share certificates to the shareholders of the Company and necessary powers were delegated to said Committee. The said Committee had approved issue of duplicate share certificates by passing Circular Resolutions.

The text of the Circular Resolutions were as follows:

Date: 23.12.2016

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 3 (Three) shareholders holding 373 (Three Hundred Seventy Three only) equity shares of the Company as per the statement circulated to the members of the Committee of the Board and enclosed with this resolution.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things and

attend to all such matters as may be necessary to give effect to this resolution."

Date: 11.01.2017

"RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 4 (Four) shareholders holding 753 (Seven Hundred Fifty Three only) equity shares of the Company as per the statement circulated to the members of the Committee of the Board and enclosed with this resolution.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things and attend to all such matters as may be necessary to give effect to this resolution."

Date: 23.01.2017

"RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 3 (Three) shareholders holding 326 (Three Hundred Twenty Six only) equity shares of the Company as per the statement circulated to the members of the Committee of the Board and enclosed with this resolution.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things and attend to all such matters as may be necessary to give effect to this resolution."

The Board took note of the same.

4. To note the Audit Certificate of reconciliation of Share Capital of the Company made upto 31st December, 2016.

A Certificate of Capital Integrity submitted to the Stock Exchanges, pursuant to SEBI Notification dated 31st December, 2002, confirming reconciliation of total equity shares held with both the depositories, viz. NSDL and CDSL and in physical form with the total issued and paid up equity share capital of the Company upto the quarter ended 31st December, 2016 issued by M/s. Haribhakti & Co., Chartered Accountant and submitted to the Stock Exchanges and placed before the Board was perused and noted.

5. To note the details of the Foreign Exchange Forward Contracts, Derivatives Contracts and Cash flow on forward and Derivatives Foreign Exchange contracts carried out by the Company for the quarter ended 31st December, 2016.

The Board was informed that during the quarter ended 31st December, 2016, no such transactions have been entered into by the Company. The same do not include MTM movement.

The Board discussed the matter, took note and passed the following resolution unanimously:

"RESOLVED THAT the details of the Foreign Exchange Forward Contracts, Derivatives Contracts and Cash flow on forward and Derivatives Foreign Exchange contracts carried out by the Company in relation to Liability Management for the quarter ended 31st December, 2016, as per the statement and information placed before the meeting be and are hereby noted and that any of Shri Prakash Shenoy, Company Secretary, Shri Manikantan Iyer, Chief Financial Officer and Shri D. Viswanath, Authorised Signatory, be and are hereby severally authorised to file the details relating to said transactions, with the Reserve Bank of India and take necessary action as may be required in the matter."

6. To note the disclosure received from the Directors and Key Managerial Personnel of the Company, if any.

Disclosure under Section 189 of the Companies Act, 2013 received from the Director/s and Key Managerial Personnel of the Company, if any, read at the meeting and noted by the Board. The Company Secretary was instructed to incorporate the same in appropriate Register/s maintained by the Company.

7. To peruse the Minutes of the proceedings of meetings of the Board of Directors of subsidiaries of the Company.

Minutes of the proceedings of meetings of the Board of Directors held during the quarter ended 31st December, 2016 of all the subsidiaries of the Company, together with the list of subsidiaries, were placed before the Board. The statement containing details of significant transactions pertaining to loans, advances, investments and borrowing made by the subsidiary companies during the quarter ended 31st December, 2016 was also placed before the Board. The Board perused the information on the material transactions involving subsidiary companies and related parties particularly Investments made by them, discussed and noted.

8. To review the legal compliance and take on record the Compliance certificate.

A Compliance certificate issued by the Legal Department of the Company for the quarter ended 31st December, 2016 was placed before the Board. The Compliance Certificate, inter-alia confirmed the compliance of various laws by the Company as applicable from time to time.

Shri Manikantan Iyer, Chief Financial Officer informed that the quarter under review was unprecedented on account of competition and pricing pressure becoming hyper intensive, especially due to entry of new player making launch offer for the services free of cost. Also, demonetisation resulted in reducing consumption and increasing competitive pressure. At the same time, telecom Industry continues to face decline in voice business, stagnancy in usage and now, decline in data realisation.

All these factors put extraordinary strain on the revenue, earnings and cash flow of the Company during the quarter and consequently, there has been delay in repayment of loan instalments of Rs.467 crore, whereas loan instalments of Rs.1,315 crore, which were due remain payable. The Company has been current on repayment of instalments of its foreign currency loans. In case of repayment of instalments of domestic loans, there has been delay on account of time involved in rollover of such loans and / or approval of new loans. The Company has been proactively working with banks and financial institutions for rollover of existing loans or raising new loans so as to ensure such repayment on time. The Company has largely succeeded in its efforts.

He further explained that despite severe competitive pressure during the quarter, subscriber base of the Company has remained stable, churn was lower and consequently ARPU was stable. In fact, minutes of usage (MoU) increased during the quarter and as a consequence, reduction in revenue and average realisation per minute (ARPM) was lower when compared to the Industry peers. He further elaborated on the reasons as mentioned here under leading to delay in repayment of aforesaid loan instalments:

- a) The hyper intensive competition in the telecom sector has, over the last few years, led to decline in ARPU (Average Revenue Per User), and ARPM (Average Revenue Per Minute), increase in churning and customer acquisition costs resulting in very decline in overall revenues, increase in expenses, stagnant margins and inadequate free cash flows.

- b) Owing to the prevailing fierce competitive environment in telecom sector in India and prevalent current global economic conditions, the foreign banks also have expressed their inability to roll-over the upcoming instalments upon maturities.
- c) This was further aggravated due to Demonetisation scheme announced by the Government of India. Immediately with the announcement of demonetisation on 8th November, 2016, banking sector in India was suddenly engaged in situation, which was extraordinary and beyond control for managing unprecedented rush made by the people to the bank branches/ bank counters for the exchange of old notes with new notes. This halted the banking and commercial process including that of approval of any new loans and/ or rollover of existing loans by the banks.
- d) Prepaid revenue of the Company was impacted due to reduction in consumption on account of demonetisation of existing currency.
- e) Certain recent pronouncements in the matters related to the banking and business in the Indian Judicial System has also added to the delays in re-financing activities of the Banks in general, which has, in particular, adversely impacted proposals for new and / or rollover of loans of the Company.

Responding proactively to the above challenging environment, the Company is currently engaged and in advance stage in several strategic initiatives already undertaken in order to reduce its overall debt levels, and potentially, enable the Company to repay and / or pre-pay scheduled repayment of the loans to various lenders.

The Board discussed and took note of the same.

9. To consider and approve unaudited consolidated financial results and stand alone financial results and Limited Review Reports for the quarter and nine months ended 31st December, 2016.

The Board was informed that in terms of Regulation 33 of the Listing Regulations, the Company was required to approve and submit the unaudited financial results for the quarter and nine months ended 31st December, 2016, to the Stock Exchanges and publish the same in the newspapers within 48 hours after the approval of the Board.

The Standalone and Consolidated unaudited financial results duly reviewed by the Audit Committee at their meeting held on 11th February, 2017 was placed before the Board. Observations of the Audit Committee were also informed to the Board at the meeting.

Shri Gurdeep Singh, CEO – Wireless Business made detailed Presentation of the businesses of the Company, highlighting the performance of the Company for the quarter and nine months ended 31st December, 2016 and outlook of the Company was made. He presented to the Board, a performance snapshot, profitability statement, segment wise financials, Key KPIs, Industry comparison, key financials and ratios etc. He appraised the Board members about the intense competition in the telecom sector with free offers and entry of Reliance Jio which led to declining ARPU (Average Revenue Per User), and ARPM (Average Revenue Per Minute), resulting in very muted growth in overall revenues, stagnant margins and inadequate free cash flows of the Company and also of other competitors .

The brief highlights of consolidated financial performance of the Company for the quarter ended 31st December, 2016 were as follows:

- a. **Consolidated Revenue & EBITDA:** RCOM Q3 revenue at Rs.4,922 crore, down 4.3% from Rs.5,142 crore in Q2. Q3 EBITDA at Rs.1,206 crore, down 21.8% from Rs.1,542 crore in Q2.
- b. **Net loss at Rs.531 crore.**
- c. **India Operations Revenue & EBITDA:** Q3 revenue at Rs.4,267 crore, down 4.9% from Rs.4,488 crore in Q2. Q3 EBITDA at Rs.957 crore, down 26% from Rs.1,297 crore in Q2.
- d. **Global Operations Revenue & EBITDA:** Q3 Revenues at Rs.1,132 crore, up 4.0% from Rs.1,089 crore in Q2. Q3 EBITDA at Rs.249 crore, up 1.7% from Rs.245 crore in Q2.
- e. **Key Performance Indicators (KPIs):**
 - (1) **RPM:** RPM at 40 paisa, down 10.5% Q-o-Q
 - (2) **MOU:** Total MOU at 102.1 billion, up 4.3% Q-o-Q
 - (3) **ARPU:** ARPU at Rs.154, down 0.6% Q-o-Q
 - (4) **Data Customers:** The total data customer base is 32 million including 23.4 million 3G/4G customers in Q3.
 - (5) **Data Traffic:** The total data traffic at 93.7 billion MB is down over 10% Q-o-Q. The traffic has decreased mainly due to severe competitive intensity.

The Consolidated financial results were in respect of the Company and all its subsidiaries/ controlled companies, have been prepared in accordance with the requirements of the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India. The Stand alone and Consolidated Financial Results have been subjected to a "Limited Review" by the Company's Auditors as per requirements under Regulations 33.

The Board was further informed that as per Regulations 33 of the Listing Regulations, the Company has opted to submit additionally consolidated financial results to the stock exchanges. As per Regulation 47 of the Listing Regulations, the Company is required to publish extract of the consolidated financial results alongwith (1) Turnover, (2) Profit before tax and (3) Profit after tax, on a stand-alone basis, as a foot note in the newspapers.

Shri Manikantan Iyer, Chief Financial Officer of the Company informed the Board that the unaudited financial results of the Company for the quarter and nine months ended 31st December, 2016 do not contain any false or misleading statement or figures and do not omit any material fact.

As required under Regulation 33 of the Listing Regulations, a certificate from Shri Prakash Shenoy, Chief Executive Officer and Shri Manikantan Iyer, Chief Financial Officer of the Company stating that the above unaudited financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading, was also placed on table for confirmation of the Board.

The Board was further informed that as per Regulation 33(3)(c) of the Listing Regulations, in case the listed entity opts to submit unaudited financial results – Standalone or Consolidated, they shall be subject to limited review by the statutory auditors of the Company and shall be accompanied by the limited review report. Accordingly, the limited review reports on the Standalone and Consolidated unaudited Financial Results for the quarter and nine months ended 31st December, 2016, as reviewed by the Audit Committee, were also placed before the meeting for its review and approval.

Shri Manikantan Iyer, Chief Financial Officer placed a Management Representation letter dated 11th February 2017 to be given to the Auditors for the quarter and nine months ended 31st December, 2016. He further stated

that the Audit Committee has noted the Management Representation letter for issuance to the Auditors under the signature of Shri Manikantan Iyer, Chief Financial Officer or Shri Prakash Shenoy, Company Secretary. The Board discussed the contents of Management Representation letter and approved the same.

The Board deliberated performance and business related issues of the Company and after detail deliberation, passed the following resolutions:

(a) Unaudited Consolidated Financial Results and Report thereon.

“RESOLVED THAT pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the unaudited Consolidated financial results of the Company for the quarter and nine months ended 31st December, 2016, and the quarterly report thereon as per the statement placed before the meeting as reviewed by the Audit Committee at their meeting held on 11th February, 2017 and as certified by Shri Prakash Shenoy, Chief Executive Officer and Shri Manikantan Iyer, Chief Financial Officer, be and are hereby approved and that the same be signed by Shri Anil D. Ambani, Chairman and submitted to the Stock Exchanges, where the securities of the Company are listed.

RESOLVED FURTHER THAT Limited Review Report on Consolidated financial results of the Company issued by the Statutory Auditors of the Company for the quarter and nine months ended 31st December, 2016 as placed before the meeting be and is hereby approved.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to submit the said financial results, Limited Review Report and Quarterly Reports to the Stock Exchanges and do everything necessary and incidental in this regard.”

(b) Unaudited Standalone Financial Results of the Company.

“RESOLVED THAT pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the unaudited Standalone Financial Results of the Company for the quarter and nine months ended 31st December, 2016, as per the statement placed before the meeting and as reviewed by the Audit Committee at their meeting held on 11th February, 2017 and as certified by Shri Prakash Shenoy, Chief Executive Officer and Shri Manikantan Iyer, Chief Financial Officer, be and are hereby approved and that the same be signed by Shri Anil D. Ambani, Chairman and submitted to the Stock Exchanges, where the securities of the Company are listed.

RESOLVED FURTHER THAT Limited Review Report on Standalone financial results of the Company issued by Statutory Auditors for the quarter and nine months ended 31st December, 2016 as placed before the meeting be and is hereby approved.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to submit the said financial results and Limited Review Report to the Stock Exchanges and do everything necessary and incidental in this regard.”

10. To note the status of sale of Tower assets of Reliance Infratel Limited, a subsidiary company.

The Board was informed that, as informed earlier, in order to reduce debt and de-leverage balance sheet of the Company, it was thought fit to divest stake in Tower Business of Reliance Infratel Limited, a subsidiary company

(RITL). For the said purpose, the Company had appointed investment bankers as advisors as well signed Non Disclosure Agreements with some of the potential bidders.

The Board was further informed that on 21st December, 2016, the Company had signed Acquisition Agreement and shareholders agreement with Brookfield Infrastructure Partners LP and its affiliates and managed funds (“**Brookfield**”) for sale of the telecom tower business of Reliance Infratel Limited, a subsidiary of the Company (“**Tower Business**”). The sale will involve transfer of the Tower Business from Reliance Infratel Limited (RITL), to Towercom Infrastructure Private Limited (TIPL), a newly incorporated subsidiary of the Company, to be implemented by means of a Court approved Scheme of Arrangement (“**Scheme**”).

Upon the Scheme becoming effective, and satisfaction of other Conditions Precedents of the Acquisition Agreement, the entire issued share capital of TIPL, together with certain shareholder loans, will be acquired by a special purpose vehicle controlled and managed by Brookfield. The proposed Transaction is subject to definitive documentation, applicable regulatory and other approvals and certain other terms and conditions.

The Board was further informed that the Scheme of demerger between Reliance Infratel Limited and Towercom Infrastructure Private Limited has already been filed in National Company Law tribunal on 30th January, 2017.

The Board discussed the matter and took note of the same.

11. To note the status of Scheme of Arrangement with Reliance Telecom Limited.

The Board was informed that at their meeting held on 24th June, 2016, the Board had approved the Scheme of Arrangement for demerger i.e. transfer and vesting of Wireless Undertaking of Reliance Telecom Limited, wholly owned subsidiary, into the Company. The Board was further informed that the Company had received the approval from the Hon’ble High Court on 27th October, 2016 and the Company has made an application to the Department of Telecommunication for their approval.

The Board was further informed that as per clause 1.6 of the Scheme, the Effective Date would be the date of filing order with RoC. However, clause 19.3 of the Scheme and Para 13 of the High Court Order states that Scheme would be made effective only upon receiving the approval of Department of Telecommunications. (DoT).

The Board was further informed that as per requirements under the Companies Act, 2013, the Company and Reliance Telecom Limited had already filed certified copy of the Order with Ministry of Corporate Affairs (MCA) on 18th January, 2017 and will inform MCA once Company receive approval from DoT.

The Board discussed the matter and took note of the same.

12. To note the status of Scheme of Arrangement with Sistema Shyam Teleservices Limited.

The Board was informed that at their meeting held on 2nd November, 2015, the Board had approved signing of merger agreement amongst the Promoter shareholders of the Company, Sistema Shyam Teleservices Limited (“SSTL”), Sistema JSFC (“Sistema”) and other entities. The Board was further informed that the Board had also approved the Scheme of Arrangement for demerger i.e. transfers and vesting of Wireless Telecom

Business Undertaking of Sistema Shyam Teleservices Limited into the Company.

The Board was further informed that the Rajasthan High Court had sanctioned the Scheme on 30th September 2016 and Bombay High Court on 7th October 2016. The effectiveness of the Scheme is depending on various conditions precedents to be complied with. The Company has applied to the Department of Telecommunications for its final approval of the Scheme, which is condition precedent to before effecting the Scheme. Upon scheme being effective, the Company requires to allot 27.65 crore equity shares of Rs.5 each to SSTL which is 10% of diluted equity capital of the Company.

The Board discussed the matter and took note of the same.

13. To note the status of Scheme of Arrangement with Aircel Limited and Dishnet Wireless Limited.

The Board was informed that at their meeting held on 14th September, 2016, the Board had approved for demerger and transfer of Wireless Business, including (i) the investments held by the Company in its indirect wholly owned subsidiary companies, Reliance Communications (Hong Kong) Limited, Reliance Communications (UK) Limited, Reliance Communications Inc. USA, Reliance Communications International, Inc. and Reliance Communications Canada, Inc., (collectively, "Offshore Subsidiaries"); (ii) the wireless telecom business undertaking of the Company and Reliance Telecom Limited ("RTL")(a wholly owned subsidiary of the Company)(collectively, "Wireless Business"); to Aircel Limited ("AL") and Dishnet Wireless Limited (a wholly owned subsidiary of AL) ("DWL"), by way of a court approved Scheme of Demerger among the Company, RTL,AL,DWL, SACPL, Deccan and their respective shareholders and creditors("Scheme") to be filed before the National Company Law Tribunal having jurisdiction on the Company and AL, and on the Scheme becoming effective in accordance with the orders of the National Company Law Tribunal, the Wireless Business will stand transferred to and vested on a going concern basis to AL and DWL. The Board was further informed that under the terms of the Scheme, the Company will be issued and allotted such number of equity shares of AL which will constitute 50% of the fully diluted paid up equity share capital of AL.

The Company has made an application to the Stock Exchanges for their approval as required under Regulation 37 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 on 17th October, 2016 and presently it is pending. The Company has also made an application to the Competition Commission of India along with transaction related documentation on 14th October 2016 for their approval.

The Board discussed the matter and took note of the same.

14. To note details of Investor Complaints received and resolved during the Quarter ended December 31, 2016.

The Board was informed that pursuant to Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it was necessary to file with the stock exchanges on a quarterly basis a statement giving the number of investor complaints received and disposed off during the quarter and those remaining unresolved at the end of the quarter, within twenty one days from the end of each quarter. Further, Regulation 13(4) provides that the above statement shall be placed before the Board on a quarterly basis.

The Board was informed that the Company had received total five complaints during the quarter ended December 31, 2016 and all the complaints were resolved during the quarter. There was no pending complaint as on December 31, 2016.

The broad classification of complaints received by the Company was as follows:

Sr. No.	Nature of complaints	No. of complaints
1	Non Receipt of Annual Report	3
2	Non receipt of share certificate/s	0
3	Non receipt of Dividend warrants	2
	Total	5

The Board was further informed that the Company has already filed the above report to the stock exchanges.

The Board took note of the same.

15. To note Corporate Governance Report for the quarter ended December 31, 2016.

The Board was informed that pursuant to Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it was necessary for the Company to submit a report on Corporate Governance in the format prescribed to the stock exchanges for every quarter within 15 days from the close of the quarter. A copy of the Corporate Governance Report for the quarter ended December 31, 2016 was placed before the Board.

The Board was further informed that the Company has already filed Corporate Governance Report for the quarter ended December 31, 2016 to the stock exchanges before the due date.

The Board discussed and took note of the same.

16. To note the statement showing holding of securities and shareholding pattern for the quarter ended December 31, 2016.

The Board was informed that pursuant to the requirements of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it was necessary for the Company to file on quarterly basis a statement showing the holding of securities and shareholding pattern with the stock exchanges within 21 days from the close of the quarter. A copy of the statement showing holding of securities and shareholding pattern for the quarter ended December 31, 2016 was placed before the Board. The Board was further informed that the Company has already filed the said report for the quarter ended December 31, 2016, to the stock exchanges.

The Board took note of the same.

17. To consider and authorise sending of notes to the agenda relating to Unpublished Price Sensitive Information at a shorter notice.

The Board was informed that the Secretarial Standards notified by The Institute of Company Secretaries of India has been effected from July 1, 2015 and the Company is in compliance with the requirement of the Secretarial Standards (SS). Further, as per SS, the Board agenda shall be given to the Directors at least seven days before the date of the Meeting. However in case of certain agenda of business, which are in the nature of Unpublished Price Sensitive Information, Notes on items of Agenda may be

given at a shorter period of time than stated above, with the consent of the majority of the Directors. The Company can accordingly take General consent for giving Notes on items of Agenda, which are in the nature of Unpublished Price Sensitive Information at a shorter Notice, which may be taken in the first Meeting of the Board held in each financial year.

For this purpose, “unpublished price sensitive information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: – (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel; and (vi) material events in accordance with the listing agreement.

The Board was further informed that at their meeting held on May 30, 2016, the Board had accorded approval to the issue of notices for meetings of the Board and Committees at a shorter notice of time less than seven days for circulation of Agenda items of business which are in the nature of unpublished price sensitive information. The above approval is valid for the financial year 2016-17. Accordingly, approval of the Board is sought again, in terms of Clause 1.3.7 of the Secretarial Standards on “Meeting of the Board of Directors”, to the issue of notices for meetings of the Board at a shorter notice of time less than seven days for circulation of Agenda items of business which are in the nature of unpublished price sensitive information.

The Board discussed the matter and passed the following resolution unanimously.

“RESOLVED THAT pursuant to Clause 1.3.7 of the Secretarial Standards on “Meeting of the Board of Directors”, approval of the Board be and is hereby given for sending Notes on items of Agenda at a shorter notice or placing the same at the time of the meeting during financial year 2017-18 for following items related to unpublished price sensitive information:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other related transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

18. To note sale of subsidiary “Onyx NewCo LLC” along with Ethernet business division.

The Board was informed that the Company was operating an Ethernet business in the United States through ‘Reliance Globalcom Services Inc. (RGSi), a subsidiary of the Company (formerly known as Yipes Services Inc). RGSi was acquired in December 2007. However, it has been in continual decline since 2012, as the U.S. market has moved to high capacity (over 1 Gps) capital intensive networks; with hyper-competition from incumbents such as Verizon and Level3. RGSi, with less than 400 customers, focuses on sub-1Gbps market and, with its sparse presence in specific metro markets, cannot compete.

The Board was further informed that RGSi made an EBITDA loss of \$13.6m in FY16 and \$6m in H1FY17. Ethernet Division of RGSi contributed revenue of USD38.97 million, which represents 1.2% of consolidated revenue of the

Company during FY 2015-16 and networth of USD nil. Turning around the business would require a large amount of capital in range of USD100million.

The Board was further informed that the Global Cloud Xchange Limited (GCX) holding Company of RGSi headed by Mr. Bill Barney, CEO of the Company along with Board of RGSi considered a number of restructuring options. GCX also contacted a number of potential buyers.

The Board was further informed that the GCX had received an offer from GTT Inc. to acquire the customer base, assume the vendor agreements for tail circuits and Right of Entry (ROE) agreements and take over the direct opex (COGS, employees, SG&A including office rental) effective as of 1-Nov-16. GTT had offered all cash deal of USD28m of which 50% will be paid upon signing and 50% at closure of transaction by 31-Mar-17. RGSi will be responsible for phasing out the long haul network gradually from 1-Nov to 31-Mar-17.

The aggregate network opex and associated costs of exit of the RGSi long-haul network will be USD20m to USD25m over the next 4 months; so the net benefit will be USD3m to USD8m. Based on the proposed offer, GCX will however save USD14m EBITDA loss from FY17 onwards.

The Company had acquired Yipes Holding Inc. (YHI), the parent company of RGSi, on December 17, 2007 for a purchase consideration of USD 293m. An amount of USD169 million, representing the excess of consideration paid over and above the fair value of all assets and liabilities, was recorded as goodwill in the books of the Company.

The Board was further informed that "Onyx NewCo LLC" (ONL), a Delaware Registered Company was incorporated on 25th October, 2016 as a special purpose vehicle to complete the transaction. As a part of transaction, RGSi acquired a newly incorporated Company named ONL on November 15, 2016, wherein the subsidiary's Ethernet Business Division including customer contracts have been transferred and the said Company was disposed off on November 16, 2016 to GTT Inc.

GCX Board of Directors headed by Mr. Bill Barney took the above decision to dispose off Ethernet division of RGSi and intimated the Company on November 16, 2016. The Company had accordingly intimated Stock Exchange on November 16, 2016.

The Board discussed the matter, took note of the same and ratify the actions taken in the matter.

19. To approve payment of FEES OF THE Auditors.

The Board was informed that at the Board of Directors of the Company, at the their meeting held on 14th September, 2016, had approved payment of fees of Rs. 50,00,000, exclusive of travelling and other out of pocket expenses, to each of then Auditors of the Company, i.e. M/s Chaturvedi & Shah, Chartered Accountants and M/s. BSR & Co.LLP, Chartered Accountants towards part Audit fees and for issuing the Limited Review Report for the quarter ended 30th June 2016..

The Board was further informed that as per recommendation of the Audit Committee, the Board of Directors at their meeting held on 14th November, 2016, had approved payment of fees of Rs. 50,00,000, exclusive of travelling and other out of pocket expenses, to each of the Auditors of the company, i.e. M/s Pathak H. D. & Associates, Chartered Accountants and M/s. BSR & Co. LLP, Chartered Accountants towards part audit fees and for carrying out

Limited Review for the quarter ended 30th September 2016 and 31st December 2016.

The Board was further informed that the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which came into effect from 1st December, 2015 requires the Statutory Auditors to issue Limited Review Report on Consolidated financials of the Company which were in addition to Limited Review on Standalone Financials of the Company. In order to issue Limited Review Report for Consolidated financials of the Company, the Statutory Auditors were required to review all the subsidiary companies accounts which required them to put additional manpower, effort etc on time bound manner.

The Board was also informed that an additional fees of Rs. 25 lac per quarter has been recommended by Audit Committee at their meeting held on 11th February 2017, to each of the Auditors for the quarter ended 30th June, 2016, 30th September, 2016, 31st December, 2016 and suggested to fix fees for the quarter ending 31st March, 17 later on.

The recommendation of the Audit Committee was placed before the Board.

The Board of Directors considered above and passed the following resolution:

“RESOLVED THAT that Board do hereby approve payment of fees of Rs. 25,00,00 (Rupees twenty five lac only) excluding travelling and other out of pocket expenses, to each of the then Auditors of the Company, i.e. M/s BSR & Co. LLP, Chartered Accountants and M/s Chaturvedi & Shah, Chartered Accountants towards part Audit fees and issuing the Consolidated Limited Review Reports for the quarter ended 30th June, 2016.

RESOLVED FURTHER THAT as recommended by the Audit Committee at its meeting held on 11th February, 2017, the Board do hereby approve payment of fees of Rs. 25,00,000 (Rupees twenty five lac only) per quarter, exclusive of travelling and other out of pocket expenses, to each of the Auditors of the Company, i.e. M/s. BSR & Co. LLP, Chartered Accountants and M/s Pathak H.D. & Associates Chartered Accountants, towards part Audit fees and for issuing the Consolidated Limited Review Reports for the quarter ended 30th September, 2016 and 31st December, 2016 and that fees for the fourth quarter and financial year ending 31st March, 2017 will be decided later on.

RESOLVED FURTHER THAT Shri Manikantan Iyer, Chief Financial Officer be and is hereby authorised to do all such acts and things necessary in the matter

20. To consider status report on 2G case filed by CBI in the matter of Reliance Telecom Limited and others.

The Board was provided a copy of the status report dated 8th February, 2017 issued by M/s. Agarwal Law Associates, Advocates, Supreme Court, New Delhi on 2G case filed by Central Bureau of Investigation.

The Board was informed that the Trial, which commenced on 11th November, 2011 before the Ld. CBI Special Judge, O.P. Saini has closed its evidences as all the prosecution witnesses have deposed. The statement of accused under Section 313 of CrPC has been recorded. The defence has led their evidence. The evidence in the matter has been closed.

The final argument commenced on 22nd July, 2015. The prosecution has completed its final arguments. The defence concluded their final arguments in October 2016. The Prosecution's rejoinder were submitted on 10th February, 2017.

The Directors discussed the matter and took note of the same.

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

The meeting concluded at 6.00 p.m.

Entered on: 04.03.2017
Signed on:

Chairman