



# Corporation Bank

A Premier Public Sector Bank

Corporate Banking Branch

Bharat House, No.104, Ground Floor, M.S.Marg, Mumbai - 400 023

Phones: 022 - 2267 7088 / 2269 3453, Fax: 022 - 2267 5309

Ref: No. OR/CBB/1908/2014-15

January 13, 2015

## M/s Reliance Communications Ltd.

Reliance Centre, 19 Walchand Hirachand Marg,  
Ballard Estate,  
Mumbai - 400 001

CSI is sent in duplicate.  
Kindly retransmit the  
'Customer Acknowledgement  
Copy' duly authenticating on  
all the pages.

Dear Sir,

### Sub: Your proposal for Sanction of credit limits

This has reference to the above subject. We are pleased to communicate sanction of credit facilities subject to special and general terms and conditions as detailed in the enclosed Credit Sanction Intimation (CSI) bearing reference No CDS/CSI/BB/MC/165/2014-15 dated 22.12.2014 and the annexure thereto.

1 The CSI is sent in duplicate and we request you to retransmit the 'Customer Acknowledgement Copy' to us, duly authenticating the same in confirmation of acceptance of the terms and conditions of sanction. We also request you to take necessary steps for complying with the terms and conditions stipulated therein to enable us to release the credit facilities.

2. Please also find enclosed herewith the list of service charges. Please note that unless expressly waived/sanctioned the charges as per the circular will be applicable.

3. We request you to submit the following statements/information periodically wherever applicable in the format prescribed by the Bank. Kindly note that the Bank is entitled charge penal interest for non-submission /delay in submission of the statement/information.

Sl.No.	Particulars	Due Date for submission	Penal interest applicable for Delay in submission	Applicable / Not Applicable
01	Submission of Renewal/Review Papers along with all the information as required by Bank	2 months before the due date of review/renewal of limits as indicated in the sanction letter i.e. 22.12.2015	1% from the due date of review/renewal i.e. 22.12.2015 till the date of actual submission	Applicable
02	Diligence Report and ROC Search Report by Company Secretary/Chartered Accountant - applicable to Limited Companies	Once in a year as on 31.03.2014 and 31.03.2015 In the RBI prescribed format	-	Applicable
03	External Rating by approved rating	Review every year	If the delay in review of rating	Applicable





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	agencies-CRISIL, CARE, ICRA, INDIA Ratings, BRICK Works		beyond 3 months from the due date for review by external rating agency 1% penal interest is applicable for the period of delay beyond 3 months	
04	End Use Certificate from Statutory CA	Within 15 days from the date of availment of limit.	—	WHICHEVER APPLICABLE

4. Please note that credit limits have to be operationalised within 6 months from the date of sanction i.e. on or before 22<sup>nd</sup> June, 2015 falling which the sanctioned limits have to be revalidated subject to the approval of competent authority. You may also note that as per service charges guidelines, the applicable revalidation charges are Rs.2,00,000+service tax

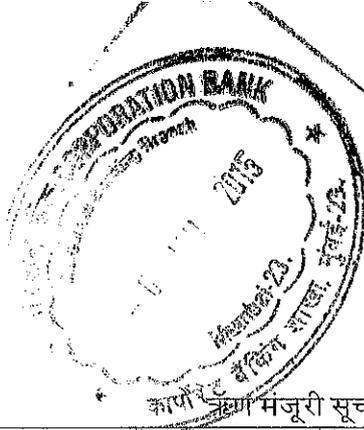
Thanking you,

Yours faithfully,  
For CORPORATION BANK

Dy. General Manager

Encl: as above





**CUSTOMER COPY**  
कार्पोरेशन बैंक Corporation Bank,

**ऋण मंजूरी सूचना CREDIT SANCTION INTIMATION**

प्रेषित From : <b>शाखा / BRANCH</b> <b>MUMBAI- CBB</b>	प्रेषित Mail to: <b>RELIANCE COMMUNICATIONS LTD.</b> <b>H BLOCK, 1ST FLOOR, DHIRUBHAI AMBANI KNOWLEDGE CITY, NAVI</b> <b>MUMBAI 400 710</b>
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विषय Sub : ऋण सुविधा / ओं के लिये आपका आवेदन पत्र  
Subject: Your application for credit facility / facilities

**प्रिय महोदय Dear Sir,**

उपर्युक्त के संदर्भ में अनुबंध में निहित सामान्य और विशेष निबंधनों एवं शर्तों के अधीन हम आपको ऋण सुविधा/ओं की मंजूरी / समीक्षा की सूचना प्रेषित करते हैं।

With reference to the above, we are pleased to communicate sanction/revision of credit facilities subject to the general and the special terms and conditions set out in Annexure (s).

कृपया यह स्पष्ट रूप से समझ लें कि बैंक की सुविधा के अनुसार आपको इन ऋण सुविधाओं की मंजूरी दी गयी है तथा मंजूरीकृत सुविधाओं का लाभ उठाने से पहले, बिना किसी पूर्व सूचना के किसी भी समय ये रद्द की जा सकती हैं। बैंक वित्तीय सहायता को किसी भी स्तर पर बिना किसी सूचना अथवा उद्देश्य के कोई भी कारण दिये बिना आंशिक रूप में अथवा पूर्णतः निरसन कर सकता है या इसको वापस ले सकता है या इस पर रोक लगा सकता है।

It is to be clearly understood that these facilities are sanctioned subject to the convenience of the Bank and may be cancelled at any time without prior notice before making available the sanctioned facilities. The Bank may revoke in part or in full or withdraw/Stop financial assistance at any stage, without any notice or giving any reasons or any purpose whatsoever.

हमें ऋण मंजूरी सूचना की प्राप्ति संबंधी आपकी पावती भी चाहिए तथा यह पुष्टीकरण भी कि विभिन्न ऋण सुविधाओं के लिए निहित शर्तें आपको मान्य हैं। यह सूचना इसलिए दो प्रतियों में भेजी गयी है। आपसे अनुरोध है कि संबंधित स्थान पर विधिवत् हस्ताक्षर करने, कि ये शर्तें आपको मान्य हैं, एक प्रति हमें वापस भेज दें। आपके द्वारा विधिवत् हस्ताक्षरित ऋण मंजूरी सूचना की प्रति की प्राप्ति तथा गारंटीकर्ता/ओं के साथ आपके द्वारा निर्धारित प्रतिभूति प्रलेखों के निष्पादन के बाद, हम ऋण सुविधाओं को जारी करने की व्यवस्था करेंगे।

We require your acknowledgement for having received Credit Sanction Intimation and confirmation that the terms and conditions as communicated herein for various credit facilities are acceptable to you. This intimation is therefore sent to you in duplicate. You are requested to return one copy duly signed at the relevant space in token of having accepted these terms. On receipt of the copy of Credit Sanction Intimation duly signed by you and your executing the prescribed security documents alongwith the Guarantors(s) we will arrange to release the facility/ies.

For CORPORATION BANK

संलग्नक Encl: Annexure I and GI

शाखा प्रबंधक / Branch Manager

समीक्षा/नवीकरण को किया जाना चाहिए Review/Renewal due on : <b>22/12/2015</b>	मंजूरीकर्ता विभाग Sanctioning Department : <b>CDS,H.O, Mangalore</b>
शाखा संदर्भ और तारीख Branch reference <b>OR/CBB/SC/5070/2014-15 DT.19/11/2014</b>	मंजूरी संदर्भ और तारीख Sanction reference & date <b>CDS:CSI:BB:MC:165:2014-15 DT.22/12/2014</b>
मंजूरी कूट Sanction Code : <b>8137-Y-3285-909-1250-20-XXX</b> BSR CODE: <b>64202</b>	कुले कार्पोरेशन बैंक For CORPORATION BANK 

मंजूरी की शर्तें TERMS OF SANCTION: ANNEXURE I AND GI.

**DEPUTY GENERAL MANAGER**  
DEPUTY GENERAL MANAGER  
Corporate Bank



1 RELIANCE COMMUNICATIONS LIMITED.

NAME OF THE BORROWER	RELIANCE COMMUNICATIONS LIMITED.
BRANCH	MUMBAI-CBB
REF NO.	CDS:CSI:BB:MC:165:2014-15 DT.22/12/2014

*Annexure - I*

**TERMS & CONDITIONS**

<b>Facility 1</b>	<b>Inland / Import LC cum Buyer's Credit cum Bank Guarantee – Renewal at existing level</b>
Extent of Credit	250.00 (Rs. in crore)
Extent of Credit in Words	Rupees two hundred fifty crore only.
Sub limits (if, any)	Nil
Purpose	<b>FLC/ BC</b> : For import of capital goods / handsets for the telecom activity. <b>BG</b> : Issuance of guarantee for fulfilling the obligations under telecom license and interconnectivity conditions.
Security	Nil
Cash Margin	Nil
Beneficiary	To be specified at the time of issuance of BG and establishment of LC.
Commission	<b>FLC / BG / Buyer's Credit facilities:</b> 0.50% p.a. + applicable service tax recoverable upfront on quarterly basis including retirement charges on bills.
Validity	<b>FLC / Buyer's Credit:</b> Upto 3 years in respect of capital goods and 12 months for other hand sets. <b>Total period of LC + Buyer's credit shall not exceed 360 days for handsets and 3 years for capital goods.</b> <b>BG:</b> Upto 5 years. <b>Note:</b> The tenor of Buyer's Credit including tenor of LC shall be within the operating cycle of the company.
Counter Guarantee	By the company

**Other terms and Conditions for LC:**

1. The company to give irrevocable and unconditional undertaking at the time of opening of LCs that adequate arrangements would be made to meet the payment of the bills received under LC and it shall not resort to additional finance from the Bank for this purpose.



## 2 RELIANCE COMMUNICATIONS LIMITED.

2. The goods procured under LCs providing for drawing DA bills may be released to the company on execution of trust letter in favour of the bank.
3. The company shall provide an undertaking to comply with all the exchange / import trade control regulations of RBI in respect of the above facility.
4. The company shall furnish an undertaking to the extent that in respect of transactions relating to the Import LCs, they will bear exchange fluctuation risks if any and that they will also manage for necessary forward cover whenever called upon to do so by the Bank.
5. The goods or assets covered in the bills under the credit shall be insured against transit risks.

### **Other terms and Conditions for Buyer's Credit:**

1. A Letter of undertaking shall be obtained from the company to provide funds in their account for meeting the commitment under Buyer's credit on due date.
2. The Branch shall comply with all the extant guidelines of RBI under FEMA as amended from time to time with regard to the amount, extent of interest factor etc, in respect of the Buyers credit facility.
3. The Branch shall ensure necessary guidance from I & IBD while putting through the transactions under this facility.

### **Other terms and Conditions for Bank Guarantee:**

1. The guarantee issued shall be specific in regard to the amount and period of validity and shall contain our usual limitation and enforcement clauses.
2. It shall be ensured that the guarantees do not contain any clause prejudicial to the Bank's interest.
3. Deferred payment guarantees or guarantees supporting other transactions of capital nature shall not be issued under the limit.
4. Guarantees in respect of disputed matters / tax liabilities shall be issued against 100% cash margin.

<b>Facility 2</b>	<b>Forward Sale Contract - Renewal at the existing level</b>
Extent of Credit	250.00 (Rs. in crore)
Extent of Credit in Words	Rupees two hundred fifty crore only.
Purpose	To mitigate exchange risks involved in Imports
Commission	At prescribed rate



**Other terms and Conditions:**

1. The booking should be done against specific request of the borrower company as per laid down procedure.
2. The booking should be for genuine business transactions. To ensure this, the customer's purchase orders / LCs shall be verified before booking of the contract.
3. The company should undertake to make good any loss arising on account of extension / cancellation / early delivery of the contract if any.
4. All the relevant exchange control regulations / FEMA and RBI guidelines should be strictly adhered.
5. Our Bank's lien shall duly be endorsed on the relative export orders / LCs/ bills / purchase orders in respect of which forward contracts have been booked.

<b>Facility 3</b>	<b>Long Term Loan – Review</b>
Extent of Credit	250.00 (Rs. in crore)
Extent of Credit in Words	Rupees Two Hundred fifty crore only.
1. Reliance Group:	“Reliance Group” means Mr. Anil Dhirubhai Ambani (“ADA”) and his family in a personal capacity and family trusts (in respect of the shares held by such family members or family trusts, only those shares deemed controlled by Mr. Anil Dhirubhai Ambani will be included for the purposes of this definition) or the companies where ADA has at least a 26% stake and the companies that are also controlled directly or indirectly by ADA (together “Reliance Group”).
2. Borrower(s):	Borrower 1 - Reliance Communications Ltd. (RCOM) – Rs.235.00 crore Borrower 2 - Reliance Telecom Limited (RTL) – Rs.15.00 crore
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.6750 crore under a consortium arrangement to the Borrower (s) earmarked as under



4 RELIANCE COMMUNICATIONS LIMITED.

	<ul style="list-style-type: none"> <li>- Rs.6015 crore to Borrower 1 (RCOM) (our Share is Rs.235 crore &amp;</li> <li>- Rs.735 crore to Borrower 2 (RTL) (our Share is Rs.15 crore)</li> </ul> <p>All terms &amp; conditions mentioned herein shall apply to both term loans of the Facility.</p>																									
7. Purpose of the Facility:	<p>For meeting ongoing -</p> <p>1. Capital expenditure 2.Operational expenditure 3. Repayment of existing liabilities, other than any related party / shareholder loans</p>																									
8. Corporation Bank Facility	A Rupee Term Loan of Rs.250.00 crore																									
9. Lead Bank	State Bank of India.																									
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 of Facility	<ul style="list-style-type: none"> <li>- The commercial terms shall be valid for a period upto one month from the date of sanction before which company shall convey their acceptance.</li> <li>- The other sanction terms shall be valid up to a period of three months from the date of sanction before which Facility Agreement shall be executed.</li> </ul>																									
14. Availability Period:	<p>For RCOM and RTL: Until 30<sup>th</sup> June 2015</p> <p>Any undrawn amount of the Facility at the end of the Availability Period will be automatically cancelled and will not be available for drawing.</p>																									
15. Moratorium	Upto 30 <sup>th</sup> September 2016																									
16. Repayment	<p>Principal Repayment in 14 structured quarterly installments post Moratorium. For both term loans i.e. Rs.235.00 crore to RCOM and Rs.15.00 crore to RTL.</p> <p style="text-align: right;">(Rs. in crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td><b>FY 2017</b></td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">8%</td> <td style="text-align: center;">8%</td> </tr> <tr> <td style="padding-left: 20px;">- <b>Rcom</b></td> <td></td> <td></td> <td style="text-align: center;">18.80</td> <td style="text-align: center;">18.80</td> </tr> <tr> <td style="padding-left: 20px;">- <b>RTL</b></td> <td></td> <td></td> <td style="text-align: center;">1.20</td> <td style="text-align: center;">1.20</td> </tr> <tr> <td><b>FY 2018</b></td> <td style="text-align: center;">8%</td> <td style="text-align: center;">8%</td> <td style="text-align: center;">8%</td> <td style="text-align: center;">8%</td> </tr> </tbody> </table>		Q1	Q2	Q3	Q4	<b>FY 2017</b>	-	-	8%	8%	- <b>Rcom</b>			18.80	18.80	- <b>RTL</b>			1.20	1.20	<b>FY 2018</b>	8%	8%	8%	8%
	Q1	Q2	Q3	Q4																						
<b>FY 2017</b>	-	-	8%	8%																						
- <b>Rcom</b>			18.80	18.80																						
- <b>RTL</b>			1.20	1.20																						
<b>FY 2018</b>	8%	8%	8%	8%																						



5 RELIANCE COMMUNICATIONS LIMITED.

	- <b>Rcom</b>	18.80	18.80	18.80	18.80
	- <b>RTL</b>	1.20	1.20	1.20	1.20
	<b>FY 2019</b>	1%	1%	1%	1%
	- <b>Rcom</b>	2.35	2.35	2.35	2.35
	- <b>RTL</b>	0.15	0.15	0.15	0.15
	<b>FY 2020</b>	12%	12%	12%	12%
	- <b>Rcom</b>	28.20	28.20	28.20	28.20
	- <b>RTL</b>	1.80	1.80	1.80	1.80
	The repayment due dates shall be 31 <sup>st</sup> December, 31 <sup>st</sup> March, 30 <sup>th</sup> June and 30 <sup>th</sup> September in each year.				
17. Door to Door Tenor	5 years and 3 months including a moratorium of 1 year 9 months				
18. Interest Rate	Floating rate of interest equivalent to SBI Base Rate (SBBR) plus a "Spread" of 2.50% present effective 12.50% p.a. with monthly rests. 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 our Bank.				
19. Trigger for Re-Pricing of Rate of Interest	<p>Any adverse deviation from the estimated / projected level in the Lenders Base Case by more than 20%, in respect of any two of the following financial parameters, arrived at from financial results, will entitle the Bank to re-price the loan.</p> <ol style="list-style-type: none"> <li>Interest Coverage Ratio</li> <li>Return on Capital Employed</li> <li>TOL / TNW</li> <li>Gross DSCR; However, the same shall not be below 1 at any point of time during the tenor of the Facility.</li> <li>Current Ratio</li> </ol> <p>The measurement of deviation shall be with reference to last audited statement of accounts and made from the first anniversary of the First Disbursement and annually thereafter.</p>				
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. Commitment Fee	<p>Commitment fee of 1.20% on the amount of undrawn amounts i.e. variance in actual disbursements with respect to quarterly disbursement schedule provided by the Borrower (s) at the time of documentation for the entire availability period or the amended disbursement schedule accepted by the Lenders. The commitment fee shall be calculated on the basis of amount undrawn during that quarter.</p> <p>The disbursement schedule, with the approval of the Lender's Agent, may be amended by the Borrower (s), with a thirty (30) days' prior written notice before the beginning of the respective quarter.</p>				



<p>22. Prepayment Premium</p>	<p>The Borrower (s) shall at any time have the option to prepay the Lenders in part or in full, the loan together with all interest, prepayment premium and other charges and monies due and payable to the Lenders upto the date of such prepayment, on payment of prepayment premium equal to 1 % of the amount prepaid.</p> <p>No pre-payment premium, however, shall be payable if the pre-payment is effected in any of the following events:</p> <ol style="list-style-type: none"> <li>a. At the instance of the Lenders;</li> <li>b. From the surplus internal accruals generated by the Project with 30 days prior notice period with such prepayment being made once in financial year,</li> <li>c. From proceeds of strategic sale of assets of group entities or equity infusion or securitization of receivables under the Tower Sharing agreement with other telecom operators.</li> <li>d. On Re-pricing of Rate of Interest if interest is found unacceptable, the Borrower (s) shall have the option to prepay the outstanding Rupee Term Loan by advising its intention to prepay within 30 days of such re-pricing advice date and prepay the Rupee Term Loan within 90 days from the re-pricing date; However, during this period, the company shall service the Facility at the Re-priced Rate of Interest</li> </ol>
<p>23. Liquidated damages on defaulted payments</p>	<p>The Borrower (s) shall pay default interest @ 1% p.a. for the period of default on the total outstanding amount</p> <ul style="list-style-type: none"> <li>- In respect of Principal &amp; interest or any other monies due on their respective due dates.</li> <li>- In case of Cross Default to other lenders</li> </ul> <p>Arrears of default interest shall carry interest at the applicable Interest Rate till the date of payment of the defaulted amount.</p> <p>However, the total additional interest on account of liquidated damages, non-compliance of various conditions / stipulations shall not exceed 3% p.a.</p>
<p>24. Security</p>	<p>Security for the Facility shall be created in two stages – namely Stage - 1 &amp; Stage - 2</p> <p><b>Stage - 1 (“Initial Security”)</b></p> <p>The proposed Facility along with interest, fees, commission and other dues to the Lenders shall be secured by:-</p> <p>First paripassu charge on all the present and future moveable plant and machinery including (without limitation) tower assets and optic fibre cables, if any, capital work in progress (pertaining to movable fixed assets) of Reliance Communications Ltd. (RCOM), Reliance Telecom Limited (RTL), Reliance Communications Infrastructure Limited (RCIL) &amp; Reliance Infratel Limited (RITL);</p>



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

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

4) Negative lien on the following –

- Present and future moveable fixed assets of RGBV (subject to existing encumbrance as on date of execution of Facility Agreement)
- Present and future 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 paripassu basis with other Secured creditors of the Obligor Group.

**Stage - 2 (“Additional Security”)**

5) First paripassu 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 paripassu charge on present and future cash flows, receivables, other current assets, revenues, intangibles of the Obligor Group

8) First paripassu 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. This shall mean joint and several guarantees from each of the members of the Obligor Group to secure the obligations of the Borrower(s) in connection with this Facility.

11) Pledge by

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



	<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) &amp; (11) shall be created post obtention of consent of existing lenders of respective Obligor Group entities and such other regulatory or statutory approvals, as may be required. The same shall have to be created &amp; perfected within 6 months from the date of first disbursement of the Facility. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, if there is a delay on account of statutory/regulatory reasons, the same shall not be construed as an Event of Default.</p> <p>The above security shall be shared on a pari - passu basis with other Secured creditors of the Obligor Group.</p> <p>All Security to be held by Security Trustee for the benefit of Lenders in a form and manner satisfactory to State Bank of India.</p>						
25. Additional Interest	<p>In case the Obligor Group fails to create &amp; perfect the Security (for both Stage - 1 &amp; Stage - 2)within stipulated time periods, the Borrower(s) shall pay an additional interest of 1% p.a. on the entire outstanding loan amount from the end of such stipulated time period till creation &amp; perfection of Security. However, in instances where despite the Obligor Group having demonstrated due effort to create/perfect security, there is a delay is on account of statutory/ regulatory reasons, extension in timeline, based on mutual consent between RCOM &amp; SBI may be granted. During such extension, such additional interest may not be charged. Any further disbursements pending perfection of security shall be at the sole discretion of the Lenders.</p>						
26. 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="539 1585 1283 1798"><thead><tr><th>Financial Year</th><th>(Amount in Cr)</th></tr></thead><tbody><tr><td>31<sup>st</sup> March 2015</td><td>12,208</td></tr><tr><td>31<sup>st</sup> March 2016</td><td>4,200</td></tr></tbody></table> <p>Borrower shall pay an additional interest of 1% p.a. on the entire outstanding loan amount in case of any breach in compliance with the above undertaking till such time the breach is cured. Further on any</p>	Financial Year	(Amount in Cr)	31 <sup>st</sup> March 2015	12,208	31 <sup>st</sup> March 2016	4,200
Financial Year	(Amount in Cr)						
31 <sup>st</sup> March 2015	12,208						
31 <sup>st</sup> March 2016	4,200						



	breach in adherence to the above schedule, Lenders shall have a right to call an Event of Default.								
27. 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"> <thead> <tr> <th>As on</th> <th>(Amount in Cr)</th> </tr> </thead> <tbody> <tr> <td>31<sup>st</sup> March 2015</td> <td>32,500</td> </tr> <tr> <td>31<sup>st</sup> March 2016</td> <td>29,000</td> </tr> <tr> <td>31<sup>st</sup> March 2017 and thereafter shall not exceed</td> <td>25,500</td> </tr> </tbody> </table> <p>Borrower shall pay an additional interest of 1% p.a. on the entire outstanding loan amount in case of any breach in compliance with the above undertaking till such time the breach is cured. Further on any breach in adherence to the above schedule, Lenders shall have a right to call an Event of Default.</p> <p>(Foreign currency of Gross USD Debt calculated @ Rs. 61)</p>	As on	(Amount in Cr)	31 <sup>st</sup> March 2015	32,500	31 <sup>st</sup> March 2016	29,000	31 <sup>st</sup> March 2017 and thereafter shall not exceed	25,500
As on	(Amount in Cr)								
31 <sup>st</sup> March 2015	32,500								
31 <sup>st</sup> March 2016	29,000								
31 <sup>st</sup> March 2017 and thereafter shall not exceed	25,500								
28. 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>								
29. Pre-commitment conditions	<p>The Borrower(s)</p> <ol style="list-style-type: none"> <li>Ties-up the entire debt requirements envisaged in the Facility.</li> <li>Gives a declaration / undertaking to the effect that none of its directors, is a director or specified near relation of a director of a lending bank</li> <li>Confirms/undertakes that name of none of the directors appears in RBI's/CIBIL's Defaulters' list/ECGC Caution List</li> <li>undertakes that the Obligor Group are in compliance with all matters pertaining to licenses and regulations.</li> </ol>								
30. Conditions Precedent:	<p>Prior to first disbursement under the Facility, the Borrower(s) shall, to the satisfaction of the Lenders, have complied with the following:-</p> <p>(a) All the financing documents pertaining to the Facility (save and except the security documents required to be executed in connection with the Stage 2 Additional Security and the telecom license assignment of RCOM) shall have been executed and the same are in full force and effect backed by a legal</p>								



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	<p>opinion from Lenders Legal Counsel.</p> <p>(b) Confirmation from the Lenders Legal Counsel that the terms of security offered by RCOM, RCIL, RTL and RITL as part of the Stage 1 Initial Security are at par with the terms of the security provided by RCOM, RCIL, RTL and RITL over their assets for the benefit of the other lenders of RCOM..</p> <p>(c) Create/perfect the security as envisaged under the Security clause within the stipulated time periods.</p> <p>(d) Provide an undertaking that –</p> <ul style="list-style-type: none"><li>- Consent letters from existing lenders/facility agents granting waiver for non-compliance of financial covenants for Financial Year 2014 and modification in financial covenants on the lines of Financial Covenants of this Facility</li><li>- The Borrower(s) has not agreed to more favourable terms than those offered to the “Lenders” of this “Facility” in any of its existing debt facilities. In case, it is subsequently found that more favourable terms have been agreed to by the Borrower(s), the same shall also be applicable for the Facility. Further, the Lenders are free to take any action that they deem fit to regularize the position.</li><li>- Cash infusion on account of stake sale transactions i.e. Rs. 6,100 Crs in FY’15 (over and above Rs 6,108 Cr infused by way of QIP proceeds and preferential allotment to promoters) and Rs. 4,200 Crs in FY’16 shall not be reduced on account of tax implications, if any. If cash infusion is reduced on account of tax implication or proceeds of stake sale transactions are not available for debt reduction, the Borrower shall infuse additional cash so as to give the same financial impact.</li><li>- All approvals including regulatory and shareholder approvals to the extent applicable are in place.</li></ul> <p>(e) Submission of certified copies of constitutional documents of each of Obligors except RGBV which will be submitted within 3 months from the date of disbursement;</p> <p>(f) Submission of certified copies of appropriate board resolutions and other corporate authorizations;</p> <p>(g) Agree to submit a certificate of end use of the disbursement within 30 days of such disbursement and a certificate from the Statutory Auditor within 60 days of such disbursement.</p> <p>Any disbursement to RTL under the facility shall be made only after creation of “Initial Security”</p>
31. Affirmative Covenants	<p>The Borrower(s) agrees that or shall ensure that (as applicable):-</p> <ul style="list-style-type: none"><li>a. Reliance Group shall maintain Management Control of the Obligor Group and its subsidiaries through the entire tenor of the Facility. Management Control shall mean the right to appoint/remove majority of directors on the Board of the Obligor Group or power to directly/indirectly cause the direction of management and policies of a company. The sole exception shall be Global Cloud Xchange Limited transaction as envisaged in the Lenders Base Case.</li><li>b. All statutory clearances as applicable shall be obtained and maintained at all times during the tenor of the Facility.</li><li>c. All telecom business related approvals/clearances/ licenses from Department</li></ul>



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	<p>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 (except RGBV), 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 wilful defaulters list of RBI/ CIBIL (other than as a Nominee/ Professional/ Honorary director). In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board.</p> <p>h. Lenders shall have the right to securitize the loan asset and in the event of such securitization, the Bank is not bound to send an individual intimation to the Borrower(s) or any other Obligor.</p> <p>i. Borrower(s) shall ensure that all insurable assets and the insurable assets of each other Obligor are fully insured</p> <p>j. Bank shall have the right to convert at its option the whole or part of the defaulted amount of the Loan into fully paid-up equity shares of the Borrower(s), at a mutually acceptable formula (or as per SEBI Regulation), if the Borrower(s) commits a default in payment of interest or repayment resulting into an Event of Default.</p> <p>k. It shall, at all times during the currency of the Facility, comply with the environmental, health, safety and social (EHSS) regulations/requirements.</p> <p>l. The Borrower(s) agrees to offer to the Bank, at least pro-rata business relating to remittances, bills / cheque purchase, non-fund based transactions including LCs and BGs, forex transactions and any interest rate or currency hedging business.</p> <p>m. Modify/Amend its Memorandum of Association or Articles of Association as per the requirements of the proposed Facility.</p> <p>n. 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>
32. Negative Covenants	<p>The Borrower(s) shall not without prior permission of Lenders –</p> <ol style="list-style-type: none"><li>1. Formulate any scheme of amalgamation or reconstruction or change in capital structure, which shall result in dilution of stake held by RCOM in the Obligor Group and its subsidiaries. Global Cloud Xchange Limited transaction as defined in the Lenders Base</li></ol>



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	<p>Case shall be a sole exception to this.</p> <ol style="list-style-type: none"><li>2. Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the Bank from time to time and approved by the Bank.</li><li>3. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, or company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Bank from time to time and approved by the Bank. However, refinancing may be permitted provided Debt Reduction Undertaking/Covenant being complied with.</li><li>4. Undertake any guarantee obligation on behalf of any other company other than as permitted by the bank and those issued for the benefit of the subsidiaries of the Borrower(s) in telecom related business to the aggregate extent of Rs. 500 cr.</li><li>5. Create any charge, lien or encumbrance over its undertaking/assets or any part thereof in favour of any financial institution, bank, company, firm or persons other than as per the Lenders Base Case approved by Bank. Charge creation on refinanced debt may be permitted provided Debt Reduction Undertaking/Covenant being complied with.</li><li>6. Enter into any contractual obligation of a long-term nature or affecting the company financially to a significant extent.</li><li>7. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.</li><li>8. Undertake any trading activity other than as approved by the lenders.</li><li>9. Permit any transfer of management control from Reliance Group or make any drastic change in the management set-up.</li><li>10. Invest by way of share capital, Lend or advance funds to or place deposits with any other concern (excluding subsidiaries of the Borrower(s) in telecom related business to the extent of Rs. 500 cr), other than approved as per business plan. Normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended.</li><li>11. Repay monies brought in by the promoters/ directors/ principal shareholders/related parties of Reliance Group and their friends and relatives by way of deposits/ loans / advances/sub-debt.</li><li>12. Declare dividends for any year out of the profits relating to that year or of the previous years if the Borrower(s) is in breach of any financial covenants or the Debt Reduction Undertaking or an Event of Default has occurred.</li><li>13. Assign or mortgage any of the fixed assets charged to the Lenders.</li></ol>
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	<p>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>
33. Information Covenants	<p>The Borrower(s) shall</p> <p>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>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>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>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>
34. 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 RGBV) except pricing terms.</p> <p>c) provide right of access/site inspections for Lenders throughout the tenor of the Facility</p> <p>d) Arrange for funds for payments required to be made for the following -</p> <ul style="list-style-type: none"> <li>• Onetime fee on account of spectrum held</li> <li>• License/ Spectrum renewal costs</li> <li>• Any other payment on account of regulatory compliances which has not been considered in the Lenders Base Case.</li> </ul>
35. 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"> <li>1. Net Worth, shall not be less than Rs. 250,000,000,000 (Rupees Twenty Five thousand crores) for FY 2015 and thereafter;</li> <li>2. The ratio of Net Debt to EBITDA shall not be more than 5.00 as on 31.03.2015 and 4.00 as on 31.03.2016 and thereafter;</li> <li>3. The ratio of EBITDA to Interest Expenses shall not be less than 3.00 for FY'15 and 4.00 for FY 16 and thereafter;</li> <li>4. The ratio of Adjusted EBITDA to Debt Service (Cash DSCR) shall not be less than 1.00</li> <li>5. Asset Cover Ratio shall not be less than 1.10</li> </ol> <p>The above covenants shall be tested annually and semi-annually respectively,</p>



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 31.03.2015. Both testing shall be accompanied by a compliance certificate from the Auditor & the Borrower. For the purpose of the covenants above the definitions of the terms used are as listed below:

Relevant Period:

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

Net Worth

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

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

Net Debt

Gross Debt as reduced by cash and cash Equivalents.

Gross Debt

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

EBITDA

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

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

Interest Expense

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

Adjusted EBITDA - EBITDA for that Relevant Period

- less all Taxes payable in respect of that Relevant Period.



	<ul style="list-style-type: none"> <li>• less realised forex losses</li> <li>• less all capital expenditure for the Relevant Period.</li> <li>• add cash inflow on account of asset sale/ stake sale for the Relevant Period</li> <li>• add additional loans availed during the Relevant Period. This applies only for Financial Year 2015</li> </ul> <p>Debt Service The sum of: (a) Interest Expense for that period; and (b) that portion of Gross Debt scheduled for repayment in that period;</p> <p>Asset Cover ratio The ratio of a) Net Block incl. CWIP and excl. intangible assets &amp; revaluation amounts and b) Gross Debt excluding unsecured loans, if any</p> <p>Additional interest of 1% p.a. shall be levied in case of breach in the above financial covenants. However, a cure period of 30 days shall be available to the Borrower to redress the breach before which the above additional interest shall be applicable. The additional interest thus applied shall be recovered with effect from the date of breach.</p>
<p>36. Events of Default:</p>	<p>The Lenders shall have a right to call an Event of Default on occurrence of the following events;</p> <ul style="list-style-type: none"> <li>(a) failure to pay any sum when due to the Lenders</li> <li>(b) breach of financial covenants or Debt Reduction Undertaking;</li> <li>(c) breach of covenants;</li> <li>(d) misrepresentation;</li> <li>(e) cross default with other indebtedness</li> <li>(f) Breach of material terms</li> <li>(g) insolvency or initiation of insolvency proceedings with respect to the borrower;</li> <li>(h) cessation of business by the borrower or threat of cessation;</li> <li>(i) invalidity/rescission/unlawfulness of a Finance Document;</li> <li>(j) repudiation of the Finance Document;</li> <li>(k) material proceedings and other litigation including court proceedings on license related issues resulting in a Material Adverse Effect;</li> <li>(l) expropriation, nationalization or moratoria;</li> <li>(m) cessation of telecom licenses (n) Change of Management Control of the Obligor Group; other than due to the notified transactions for which Lenders approval has been obtained</li> <li>(o) cessation of listing of the shares of the RCOM.</li> <li>(p) Failure to comply with license conditions or any revocation thereof</li> <li>(q) The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or security ceases to be effective</li> </ul> <p>Besides the loan documents would also incorporate other Events of Default.</p>



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37. Consequences of Event of Default	The following inter alia shall be the consequences of Event of Default; 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
38. Cancellation Clause	The Lenders have a right to unconditionally fully/partially, without notice, cancel the facility – ➤ In case the limits/parts of the limits are not utilized by the Borrower(s), and/or ➤ In case of deterioration in the loan accounts in any manner whatsoever, and/or ➤ In case of non-compliance of terms and conditions of sanction
39. Material Adverse Effect:	Material Adverse Effect will be defined as any event or circumstance which has a material adverse effect on: (a) the business operations, assets or financial condition of RCOM Group and its subsidiaries (taken as a whole); or (b) the ability of RCOM Group to perform the payment obligations and/or comply with the financial covenants contained in the Financing Documentation; or (c) the validity or legality or the enforceability of or any rights or remedies of the lenders under the Financing Documentation.
40. 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).
41. 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.
42. 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.
43. 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.



*Annexure – IA:*

**OTHER TERMS & CONDITIONS**

1. **Guarantors:** Nil
2. **Collateral Securities:** Nil

**Other existing terms and conditions which are proposed to continue:**

1. The company shall pay lump sum processing fees of Rs.50.00 lakhs + applicable service tax for renewal of NFB limits.
2. In case the company commits default in honoring their commitments under the facility, the Bank and / or Reserve Bank of India will have an unqualified right to disclose or publish the name of the company and its directors as defaulters in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
3. In terms of RBI guidelines, the company is required to give its consent for disclosure of information regarding all credit facilities to Credit Information Bureau and agency. The company to undertake that they shall submit the required information to the Bank which can be disclosed to CIBIL or any other agency so authorized which may use, process the information and also the data disclosed by the Bank in the manner as deemed fit.
4. The documentation formalities shall be completed under the advice from Legal Services Division H.O / Zonal Office, Greater Mumbai and thereafter subjected to legal audit.
5. The Branch shall put in place proper and effective system for exchange of information about the conduct of the borrowal account with other financing bank at least at quarterly intervals and also obtain regular certification by a professional, preferably a Company Secretary, regarding compliance by the company of various statutory prescriptions that are in vogue (as per prescribed format given by H.O. Circular No.867 / 2008 & 1088 / 2008.
6. The change in business plan of the company in line with the Lead bank / consortium and corresponding change in terms of sanction is permitted subject to similar approval from all the consortium members.
7. The company is permitted for conversion of the existing STL of Rs.235.00 crore availed by the by the company to Long Term Loan in pursuance to the change in business plan subject to similar approval and implementation by the Lead Bank.
8. **All other terms and conditions as stipulated by the Lead Bank /Consortium shall be applicable to our Term Loan also.**

**DEPUTY GENERAL MANAGER**

For CORPORATION BANK

DEPUTY GENERAL MANAGER



**BORROWER : RELIANCE COMMUNICATIONS LIMITED**  
**BRANCH : MUMBAI-CBB**  
**REF : CDS:CSI:MC:165:2014-15 DT.22/12/2014**

**General terms and conditions:**

**ANNEXURE GI**

01. Processing charges / upfront fees wherever applicable shall be collected from the applicant company as per the Bank's rules.

02. The credit limits sanctioned shall be made available to the applicant after the Bank secures/the applicant furnishes as the case may be:

(a) Satisfactory confidential opinion/credit report from the concerned bankers of the applicant or the applicant's associate concerns,

(b) Letter of Confirmation from the applicant stating that the unit is not enjoying any credit limits with other Banks and that the unit will exclusively deal with our Bank:

(c) A copy of valid License/SSI registration certificates.

(d) Legal opinion from the Bank's approved advocate affirming that the applicant holds valid legal and marketable title in respect of the title to the land and buildings to be mortgaged in the Bank's favour as primary/collateral security for the term loan and / or working capital credit limits.

(e) Permission letter issued by the Urban Land Ceiling Authorities, if applicable.

(f) Valuation Report from the Bank's approved Engineer in respect of the cost or market value of the property to be mortgaged in the Bank's favour.

(g) A power of attorney in favour of the Bank for receiving on behalf of the applicants the proceeds of subsidy/development loan from the Government/Government Agency. Cheques representing proceeds of subsidy/development loan shall be routed through the Bank.

(h) A declaration from the applicant that:

i) If he is an individual, that he is not a specified near relation of any senior officer of the financing bank.

ii) If it is a partnership firm or H.U.F. firm, that none of the partners or none of the members of the H.U.F. is a specified near relation of any senior officer of the financing bank.

iii) If it is a joint stock company, that none of its directors, is a relative of any senior officer of the financing Bank.

or

A declaration from the applicant furnishing details of the relationship, if any of the applicant to any senior officer of the financing Bank.

NOTE: If the declaration made by the borrower with reference to the above is found to be false, then the Bank will be entitled to revoke and/or recall the credit limits(s) sanctioned.

(i) If the applicant is a company (Public or Private), certified copy of resolution passed at the Board Meeting of the Company authorising borrowal of credit Limits from the Bank and execution of loan documents.

(j) If the applicant is a Public Limited Company or Private Limited Company which a subsidiary of a Public Limited Company -

i) Certified copy of the Board resolution declaring that the Company's total borrowings including the proposed borrowings from the Bank are within the aggregate of its paid up capital and free reserves as required by Sec.293 (1) (d) of the Companies Act. 1956 or within the borrowing limit sanctioned by a resolution passed by the shareholders at the General Meeting of the Company.