



भारतीय स्टेट बैंक
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State Bank of India

परियोजना वित्त एसबीयू, वोल्टास हाउस, पहिला आणि दुसरा मजला,
23, जे. एन. हेरेडिया मार्ग, बलार्ड इस्टेट, फोर्ट, मुंबई - 400 001.

परियोजना वित्त एसबीयू, वोल्टास हाउस, प्रथम एवं द्वितीय तल,
23, जे. एन. हेरेडिया मार्ग, बलार्ड इस्टेट, फोर्ट, मुंबई - 400 001.

Project Finance SBU, Voltas House, 1st & 2nd Floor,
23, J. N. Heredia Marg, Ballard Estate, Fort, Mumbai - 400 001.

Tel.: 2268 6909 | Fax : 2268 6911

Date :

Ref. No. :

All domestic & Foreign lenders as per
Attendance Sheet

PFSBU/Team-7/R Com/743
dated 01/07/17

Dear Sirs,

Borrower(s) : Reliance Communications Ltd (Rcom), Reliance telecom limited (RTL) & Reliance
Infratel Ltd. (RITL)
Subject : Minutes of 2nd Joint Lender's Forum (JLF) meeting held on 23.06.17 at Taj Palace
Hotel, Apollo Bander

With reference to captioned borrowers, we enclose herewith minutes of the 2nd JLF meeting held
on 23rd Jun-17 at 12 Noon at Taj palace hotel, Apollo Bander, Colaba, Mumbai (Ball Room First
Floor) for your information and record.

Yours faithfully,

Syamprasad Ankala
(Asst. General Manager)

Encl. a. a.



Reliance Communications Limited (Consolidated)
Ball Room, Taj Mahal Hotel, Colaba Mumbai
Date : 23.06.2017, Time: 12.00 Noon

Shri Punit Garg, President (Reliance Communications Group) and Shri. N. Sundar, CGM SBI-PFSBU welcomed all the lenders to the second JLF of the Reliance Communications Group. All the lenders confirmed the minutes of the JLF meeting dated 02.06.2016. The agenda of the meeting were then discussed as follows:

- a) Review of mandates from each lender for SDR invocation and voting for the same.
- b) Status of strategic transactions: Sale of tower assets to Brookfield, Merger & Sale of Wireless Business to Aircel & Merger of SSTL wireless operations into RCOM.
- c) Status of Business plan of RCOM-Aircel transaction & remaining business of RCOM
- d) Appointment of Ernst & Young LLP (EY) as Lenders LIE, Appointment of J.Sagar Associates (JSA) as Lenders LLC, Appointment of Concurrent Auditor, Appointment of SBI Capital Markets Ltd. as Financial Advisor for SDR.
- e) Opening of TRA account with State Bank of India.
- f) Review of Enforcement Notice from Credit Agricole (CA)
- g) Review of Rescheduling of foreign currency loans / participation in equity from foreign currency Lenders.
- h) Deleveraging of other Assets of RCOM, Expected realisations & their timelines.
- i) Status & time lines for SDR related Board resolution, shareholder's resolution & increase in authorized capital,
- j) Way Forward and time lines for SDR transaction

1. Vote on Invocation of Strategic Debt Restructuring (SDR)

- a) The lenders requested that the voting for invocation of SDR to take place on an individual company basis as against for RCOM on a consolidated basis.
- b) Based on this request, there were 3 rounds of voting which took place for Reliance Communications Limited (RCOM), Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) respectively.
- c) The voting was between Indian Financial Institutions only as foreign lenders did not fall under RBI's purview for SDR Guidelines.
- d) The results of the voting were as follows: (The detailed list lender wise, company wise who were present and voted enclosed as annexure 1 to 3.)

Company	Percentage Approved by Value	Percentage Approved by Number	SDR Invocation as per RBI Guidelines
RCOM	96.37%	90%	Yes
RTL	100.00%	100.00%	Yes
RITL	100.00%	100.00%	Yes



- e) Bank of Maharashtra approved the SDR mandate with the condition that they were to be treated at par with secured lenders and the same has been declined by the lenders.
- f) IIFCL proposed that their participation in SDR is subject to:
- The proposed debt reduction subsequent to sale of any assets in the Company will be made available to IIFCL on pro-rata basis.
 - IIFCL is not permitted to hold equity in its books as per extant applicable guidelines. As such the mechanism followed in other similar cases will be followed.
 - Matter relating to Security as recorded in the minutes of the meeting held on 02/06/2017 at para 18 (e) needs to be followed up by the Borrower as a part of the SDR package.
- g) With the majority of lenders approving the invocation of SDR, it was formally announced that SDR (with reference date was 02 June 2017) had been invoked by the JLF.
- h) SBI then, proposed that a core committee be formed for all the 3 borrowing entities. After deliberations and discussions within the lenders, the following banks/financial institutions were proposed to be a part of the Core Committee for the respective companies.

Company	Lenders
RCOM	Bank of Baroda, Life Insurance Company*(LIC), State Bank of India, Standard Chartered Bank, Punjab National Bank, Syndicate Bank, Axis bank@
RTL	State Bank of India, Punjab National Bank, Canara Bank, IDBI bank#
RITL	State Bank of India, Standard Chartered, IDFC Bank

*LIC to confirm if it would be a part of the Core Committee based on internal approvals. (Since confirmed vide their email dated 28.06.2017).

@Axis Bank voluntarily opted out of the Core Committee during the meeting. However, vide their email dated 28.06.2017 would like to be part of the core committee.

#IDBI Bank, subject to their approval on SDR.

- i) Shri Sundar proposed that there be representation from ECB lenders as well in the Core Committee as their exposure was significant. The ECB lenders sought time for the same, as they informed that they had to get the required approvals from their respective authorities/stakeholders based on the meeting today. A timeline of 1 week was proposed within which ECB lenders could come back with their respective approvals and be a part of the Core Committee.
- j) In reply to the query raised by ICBC representative on the participation of foreign lenders (ECB Lenders) in the core committee meetings as observers instead of involving in the decision making process of the core committee, Shri. Sundar explained that members participating in the Core committee shall participate in the decision making process.
- k) Shri Sundar then requested all the Lenders to peruse and sign the Standard JLF Agreement (IBA Approved format) for the SDR.

- l) Post this there was deliberation of the timelines by which the three companies could get the respective Board Approvals and Shareholder Approvals in place for the SDR invocation. It was decided by JLF that 10th July 2017 should be the cut-off date for the Board Approval and 15th August 2017 should be the cut-off date for the Shareholders Approval by the respective companies.

2. Company's Update on the Strategic Transactions of RCOM group

The Company updated the Lenders on the current status of disinvestment programme of the Company which is as under:

a) Merger of SSTL wireless operations to RCOM

- i. Shri Garg informed that the company had received approvals from SEBI, CCI, Shareholders, High Courts and the DoT for the merger of SSTL's wireless operations into RCOM.
- ii. Shri Garg also informed that the DoT approval had set certain Conditions Precedent to the transaction which included:
 - A Bank Guarantee payable to DoT from SSTL for Rs. 954 Crore based on the One Time Spectrum Demand made on SSTL's spectrum. He informed that SSTL was submitting the same to DoT.
 - A Bank Guarantee of Rs.390.4 Crore payable to DoT from RCOM for deferred spectrum payment liability of SSTL due in March 2018 since RCOM was taking over SSTL's spectrum.
 - A cash payment to DoT of Rs.9.22 Crore as One Time Spectrum Charges for 1.25 MHz of 800 MHz Spectrum held by RCOM in Rajasthan.
- iii. Shri Garg went on to inform the lenders that there would be no outflow of cash from RCOM in this transaction. RCOM would acquire 30 MHz of superior 800 MHz Spectrum in 8 Circles including those of Delhi, Gujarat, Kolkata, Karnataka, Tamil Nadu, Kerala whose current market value was ~Rs. 7,500 Crore. This would also enhance the Lenders security as these assets would also be pledged to the Lenders.
- iv. The Company then requested the Lenders to provide a Non Fund based Bank Guarantee of Rs. 390.4 Crore to DoT as guarantee for the next instalment for SSTL's spectrum in March 2018.
- v. The JLF advised the company to seek NOC from all the lenders for the proposed merger of SSTL with RCOM.

b) Sale of Wireless business to Aircel (Merged to become Aircel)

Shri Garg informed that the company had received approvals from CCI, Stock Exchanges, and Shareholders for the sale of RCOM's wireless business into Aircel. He then provided an update on the rest of approvals, which are as follows:



- i. **RBI:** As Aircel proposes to reorganize its capital structure by converting shareholder loans and Redeemable Preference Shares into equity, an application requesting approval for the same has been filed with RBI.
- ii. **Federal Communications Commission (FCC):** As RCOM also operates in the United States through its subsidiaries, an FCC approval is required on account of change of control of overseas entities. The same is expected by 15th August 2017.
- iii. **DoT:** The DoT provisional approval is expected by the end of July 2017 as the Scheme for merger has been filed with DoT. Its final approval would be received after the NCLT approval would be in place.
- iv. **NCLT:** The Company has been allotted 28th June 2017 for the admission of its Scheme and is hopeful of getting the scheme sanctioned before 31st July 2017.
- v. Post the final approval of NCLT, DoT would take between 30 to 40 days to provide its final approval.
- vi. It was also clarified that the NCLT approval would be subject to the approval from the Lenders, as there is a requirement of release of charge by the lenders.
- vii. Shri Garg also informed that Merged Company's business plan had been submitted to EY for its LMTC report and SBI Capital for the IM to be submitted to the lenders. The JLF advised the company to seek NOC from all the lenders for the proposed sale of wireless business of RCOM with Aircel.

c) Sale of Tower Assets to Brookfield

- i. Shri Garg informed that the Company had received approvals from CCI, DoT, and Shareholders for the sale of its tower assets to Brookfield. He then provided an update on the rest of approvals, which are as follows:
 - **NCLT:** The Company has been allotted 28th June 2017 for admission of its Scheme and is hopeful of getting the scheme sanctioned before 31.07.2017.
 - **FIPB:** The application for approval had been filed on April 10, 2017. As the Foreign Direct Investment was Rs.11,000 Crore, an approval from the Cabinet Committee on Economic Affairs would be required which is expected by the first week of July 2017.
- ii. Shri Garg informed that one of the CPs of the transaction was to refurbish certain tower assets based on Brookfield's due diligence. This would require about 10 weeks to complete and would entail a capital expenditure of ~ Rs. 600 Crore.
- iii. The Company hence requested the lenders to provide a bridge loan / LC for ~Rs.600 Crore to meet the capital expenditure for completion of this transaction. He also

requested the support of the lenders in the ongoing NCLT proceedings for the completion of the sale on time.

- iv. It was reiterated that this transaction cannot be completed without the consent of lenders, as there is a requirement of release of charge by the lenders.
- v. The JLF advised the company to seek NOC from all the lenders for the proposed sale of towers assets to Brookfield.

d) Other updates

i. Real Estate transactions

- Shri Garg provided an update on the real estate monetization transactions which the company has been pursuing to further deleverage its balance sheet.
- It was informed that RCOM had formally put certain properties for sale, lease or joint development which included its Reliance Centre near Connaught Place in Delhi (advertisement date 19th June 2017), DAKC in Navi Mumbai (advertisement date 20th June 2017) and Millennium Business Park in Navi Mumbai (advertisement date 20th June 2017). The Company had appointed Jones Lang Lasalle (JLL) as their advisors for the above transactions.
- On the lenders queries regarding indicative valuation of these property and expected timelines, Shri Garg replied that the valuations of these property could be between Rs. 6,000 Crore to Rs. 7,000 Crore and the sale could take between 3 to 6 months. Lenders further inquired whether there was a charge on these properties. It was informed that these properties were without charge however, there was a negative lien on these properties and hence lender approval would be required before disposing them.

e) Statutory Liabilities

- Shri Garg also informed that as the LC limits have been frozen by the lenders, RCOM has not been able to make its statutory payments on time and is expected to have an outstanding of Rs. 700 Crore for statutory dues by the end of September 2017. He requested the lenders to fund the same.

3. Miscellaneous Discussions:

As per agenda, SBI proposed appointments of LLC, LIE, FA, CA and JLF has approved the following.

- i. EY was nominated to be the Lenders' Market and Technical Consultant (LMTC) for the New Merged Co of RCOM and Aircel and the business remaining in RCOM post sale of wireless business and tower assets.
- ii. J Sagar Associates (JSA) was nominated and appointed to be the Lenders LLC for the SDR.
- iii. SBI Capital Markets was appointed the Financial Advisors for the SDR.

- iv. The Core Committee of RCOM, RTL and RITL would appoint Concurrent Auditors. State Bank of India proposed that it would invite bids from the Big 4 firms and some other known auditors for the same and keep the JLF informed on the matter.
- v. Lenders enquired about the status of the Credit Agricole loan of Rs 192 crore for which enforcement notices dated 30.05.2017 were received. It was informed that Credit Agricole has also approached Axis Security Trustee to enforce and start proceedings against RCOM. State Bank of India informed that they have written a letter dated 15.06.2017 to Axis Trustee informing that majority lenders vide their JLF meeting dated 02.06.2017 decided not to enforce security at this moment as SDR has been approved by the requisite majority lenders.
- vi. Lenders also enquired from the LLC the legal aspect of such enforcement and how this enforcement could impact the SDR process and requested LLC to submit their written opinion at the earliest. Further, LLC stated that as SDR has been approved by the requisite majority the "standstill" has commenced from the reference date i.e 02.06.2017.
- vii. Further, all the lenders have agreed that minutes of this JLF meeting to be given to security trustee as an evidence of majority lenders decision of Invocation of SDR and instruct Trustee not to enforce any security till such time JLF decides on the said matter.
- viii. Lenders enquired whether any outstanding Corporate Guarantee (CG) has been invoked. The company confirmed that no CG has been invoked and the company will share full list of CGs in next 15 days.
- ix. Lenders enquired about the status of enforceability of the security, given that the documents were executed in Gurgaon and its implications for enforceability in Maharashtra with respect to stamp duty. The LLC responded that they had provided an opinion of the enforceability of the security which they would share the same with the lenders.
- x. Lenders wanted to know if the business which would remain in RCOM post sale of its Wireless Business and Sale of its towers would be sufficient to meet its debt obligations. The Company responded that in addition to divestment pans already mentioned earlier, it was in the process to monetising its real estate which would bring the debt levels to a sustainable level for the remaining business.
- xi. Lenders wanted to know the sanctity of the amount of deleveraging based on the sale transactions which would reduce the debt by Rs. 11,000 Crore and Rs. 14,000 Crore. Shri Garg informed that these figures were based on definitive agreements executed by the Company and was confident of deleveraging the balance sheet.
- xii. Shri Sundar proposed that the Company open a Trust and Retention Account (TRA) for all the 3 companies with SBI CAG Mumbai in order to have a charge on the cash flows of the Company. The Company however, was of the view that this may affect its daily cash collections/ operations and requested the lenders for a time period of 3 months to make the transition. Therefore, it was suggested to the Company that the current collection banks (HDFC Bank, Yes Bank, Standard Chartered Bank) at the end of the day could sweep the remittances to the Trust and Retention Account which would not impair the company's operations. The timeline for opening the TRA was decided to be by 10th July 2017.

As there was no matter to discuss, the meeting ended with vote of thanks to the chair.

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Annexure 1
Rupees in Cr

R Com. : SDR Voting Result

Sr. No.	Banks/FIs	FB	NFB	Total FB+NFB	Present and Voting	Mandate for SDR	Voting Conclusion
1	Axis Bank	120	2,222	2,342	1	1	Total Exposure for Bank/FI in the favor of SDR
2	Bank of Baroda	1,515	55	1,570	1	1	Total Exposure for Bank/FI in the favor of SDR
3	Bank of India	644	-	644	1	1	% vote in the favor of SDR
4	Bank of Maharashtra	500	-	500	1	-	
5	Canara Bank	622	-	622	1	1	
6	Central Bank of India	258	100	358	1	1	
7	Corporation Bank	525	44	569	1	1	
8	Credit Agricole	192	-	192	1	-	
9	DBS Bank	300	-	300	1	1	
10	Dena Bank	250	-	250	-	-	
11	Deutsche Bank	320	-	320	-	-	
12	HDFC Bank	-	38	38	-	-	
13	ICICI Bank	121	-	121	-	-	
14	IDBI Bank Ltd	705	18	723	-	-	
15	ICI Ltd	200	-	200	1	1	
16	IIFCL	248	-	248	1	1	
17	Indian Overseas Bank	120	-	120	1	1	
18	LIC OF India	3,750	-	3,750	1	1	
19	Oriental Bank of Commerce	189	250	439	1	1	
20	Punjab National Bank	377	718	1,095	1	1	
21	Standard Chartered Bank	1,119	-	1,119	1	1	
22	State Bank of India	1,933	1,083	3,016	1	1	
23	Syndicate Bank	610	250	860	1	1	
24	UCO Bank	681	-	681	1	1	
25	Union Bank of India	742	-	742	-	-	
26	United Bank of India	437	-	437	1	1	
27	Vijaya Bank	-	100	100	-	-	
28	Yes Bank	-	2	2	-	-	
	Grand Total	16,478	4,880	21,358	20	18	



RITL: SDR Voting Results

Annexure-2

Banks/FIs	FB	NFB	Total FB+NFB	Present and Voting	Mandate for SDR	Voting Conclusion
State Bank of India	485	-	485	1	1	Total Exposure for Bank/FI Attending the JLF
Bank of Baroda	26	35	61	1	1	Total Exposure for Bank/FI in the favour of SDR
Syndicate Bank	3	3	6	1	1	
Standard Chartered Bank	192	-	192	1	1	% vote in the favour of SDR
IDFC Ltd	450	-	450	1	1	
Yes Bank	373	-	373	-	-	
HDFC Bank	75	9	84	-	-	
Grand Total	1,604	47	1,651	5	5	

RITL: SDR Voting Result

Annexure-3

Sr. No.	Banks/FIs	FB	NFB	Total FB+NFB	Present and Voting	Yes/Mandate	Voting Conclusion
1	State Bank of India	115	-	115	1	1	Total Exposure for Bank/FI Attending the JLF
2	Bank of Baroda	-	48	48	1	1	Total Exposure for Bank/FI in the favour of SDR
3	Punjab National Bank	182	165	347	1	1	
4	IDBI Bank Ltd	299	90	389	-	-	% vote in the favour of SDR
5	Syndicate Bank	37	-	37	1	1	
6	Union Bank of India	22	-	22	-	-	
7	Corporation Bank	14	-	14	1	1	
8	Bank of India	46	-	46	1	1	
9	Canara Bank	50	-	50	1	1	
10	Oriental Bank of Commerce	18	-	18	1	1	
11	Central Bank of India	18	-	18	1	1	
12	Indian Overseas Bank	18	-	18	1	1	
13	Barclays	-	36	36	-	-	
	Grand Total	819	339	1,158	10	10	

