

All lenders of
Reliance Communications Ltd (RCOM) and
Reliance Infratel Ltd. (RITL)
Reliance Telecom Limited (RTL)

SARG/GM3 Others/R Com/
Dated: 03/09/2018

Sir/Madam,

Borrower : Reliance Communications Ltd. (RCOM)
Reliance Telecom Ltd. (RTL)
Reliance Infratel Ltd. (RITL)

Subject : Minutes of the meeting held on 27th August, 2018 (Monday) at 4:00 PM at
Conference Room, State Bank of India, CAG branch, Neville House, J.N. Heredia
Marg, Ballard Estate, Fort, Mumbai, 400 001

We enclose minutes of the Lender's meeting held on 27th August 2018 (Monday) for your information
and record.

Yours faithfully,



(Rajesh Sheth)
Assistant General Manager

Encl. a. a.

Minutes of Meeting of the Joint Lender's Forum (JLF) to Reliance Communications Limited (RCOM), Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL)

1. Shri Padmakumar Nair, General Manager (SARG), SBI welcomed all the lenders of RCOM/RITL/RTL.
2. Few lenders requested for modification in minutes of last meeting regarding appointment of Sole Arbitrator. Lenders advised that minutes shall draw reference to Lenders meeting dated 23rd May 2018, during which names of 3 retired judges were tabled by RCOM for appointment as Sole Arbitrator and after confirming conflict of interest with these 3 judges, name of Shri C K Prasad was finalized as Sole Arbitrator in meeting dated 16th Aug 2018.
3. IDBI Bank referred to the minutes of the lenders meeting held on August 16, 2018 where it was minutised that all lenders in principle agreed to put up the Company's MRP (Monetization and Resolution Plan) to respective sanctioning/approving authorities. IDBI requested to rectify this part and maintained that they were merely examining the MRP proposed by the Company. Accordingly, the minutes of meeting dated 16.08.2018 gets amended that IDBI Bank did not give in-principle concurrence nor agreed to refer to their sanctioning authority in respect of the Monetization and Resolution Plan.
4. Lenders confirmed the minutes of the last meeting held on 16.08.2018 with above amendments.
5. The Company was called upon to make brief presentation. Shri V. Manikantan Iyer (CFO) of RCOM, briefed lenders on status of NOCs/ Document Pendency per table below:

Asset	NOC/Document Pendency
MCN	Vijaya Bank
Tower	Axis, VTB, Vijaya Bank
Fibre	Axis, VTB, Vijaya Bank
Spectrum 122 MHz	Axis
Inter Creditor Agreement	Axis, VTB
Arbitration Agreement	Pending from all Lenders, LLC to circulate executable version
Asset Monetization Distribution Agreement	Pending from all Lenders, LLC to circulate executable version

6. On query from lenders regarding cost of arbitration, LLC advised that as per terms of reference for Arbitration, RCOM will bear the cost of arbitration.
7. Mr. Manikantan Iyer further requested the lenders to expedite finalization and execution of Arbitration Agreement, Asset Monetisation and Distribution Agreement and Deed of hypothecation for Designated account.
8. Mr. Manikantan Iyer requested SBI to file an Intervention Application before Hon. Supreme Court for expediting hearing for SSTL contiguity matter, which may impact realisations from Spectrum. SBI informed that the matter is taken up with the legal team.
9. Lenders sought clarifications on various aspects of the ensuing monetization such as likely date for closure of balance assets and receipt of funds in designated account and plans for resolution of balance Debt etc. Company informed lenders on closure of assets as under:



Asset	Consideration Payable	Net off deductions and hold back (estimated)	Timeline	Remarks
MCN	2,000	1,244	2 days i.e. by 30.08.2018	Registrations: 203 completed out of 248. (representing Rs. 1,060 Cr of Rs. 1244 Cr). Till date Rs. 980 Cr was credited to the account. While Rs. 774 cr was utilised to replenish spectrum BG of Rs. 774 Cr, an amount of Rs. 200 Cr is in purchaser escrow account
Tower	5,000	4,499	4 weeks i.e. by 24.09.2018	Asset Transfer Agreement Signed. Purchaser Escrow signed
Fibre	3,000	2,663	2 days i.e. by 30.08.2018	Asset Transfer Agreement and Purchaser Escrow signed
Shared Spectrum	975	Nil	45 days i.e. by 27.09.2018	Applied to DoT 8 days back. No proceeds expected as amount will be appropriated towards settlement of Ericsson (Rs. 550 Cr), RITL minority shareholders (Rs. 230 Cr), TDS (Rs. 49 Cr) etc.
Spectrum 122 MHz	7,300		Yet to apply to DoT	Axis Bank BG of Rs. 2,000 Cr for One time settlement charges for liberalization of shared spectrum needs to be resolved. Matter is sub judice (at SC). SSTL Contiguity matter (Rs. 4,229 Cr) needs to be resolved .

10. ICBC representative requested the company to update the lenders on receipt of funds from sale of assets as and when it happens. Co. promised to comply with the same.
11. Mr. Manikantan confirmed that Company has jointly filed application with R Jio to DoT for transfer of shared spectrum (66.25 MHz) 8 days ago and the transfer will take place within 45 days of initiation.
12. SBI requested the Company to inform the status of Asset Transfer Agreement and Escrow Agreement in respect of 122.4 MHz spectrum. SBI also requested the company as to why the Joint application with R Jio to DoT for transfer of 122.4 MHz has not been filed yet. Mr. Manikantan informed that he will come back on this aspect after the meeting.
13. Regarding status of sale of real estate of assets at Delhi and Chennai, Co. confirmed that an approval from the Ministry of Urban Development is pending for converting the land from leasehold to freehold. Lenders requested the company to circulate a note on status of sale of real estate assets.
14. SBI sought the explanation of company on ET news dated 24.08.2018 that DoT has demanded R Com to pay around Rs. 3,000 Cr as spectrum usage charges or provide bank guarantees of equivalent amount. These charges were related to SUC (Spectrum Usage Charges) and license fee on Adjusted



Gross revenue. Mr. Manikantan after discussing with senior officials confirmed that such demand does not exist. He further clarified that it is an industry issue and R Com will be filing contempt application with TDSAT (Telecom Disputes Settlement and Appellate Tribunal) against DoT demand for spectrum usage charges.

15. Co. informed that as the operations of the assets is proposed to be shifted to Reliance JIO w.e.f. 1st Sep 2018. Hence, there will be no further deficit owing to opex on that account.
16. RCOM informed that that it is filing contempt proceedings against DoT with Hon. Supreme court for One Time settlement charges (OTSC) issue for not returning Axis Bank BGs, which should help it to release of Axis Bank BG. During the meeting, Co. informed that Axis Outstanding of Rs. 2,234 Cr is getting resolved in following manner:
 - a) BG of Rs. 2,000 Crs for OTSC to fall off on SC favourable order
 - b) On retirement of BG to the extent of Rs. 145 Cr , the residual BG of Axis stands at Rs. 89 Cr (exclusive of OTSC BG of Rs. 2,000 Cr).
17. Lenders were informed that to safeguard the spectrum valued at Rs. 7,300 Cr BG lenders replenished Spectrum BG in favour of DoT on 10.08.2018 as per table below:

S No	Name of Lender	Invoked & Paid amount (Rs. In Cr.)	Instalment Due (INR)	BG issued on 10.08.2018 (INR) (Till Now)	Remarks
1	SBI	190	149,22,17,827	149,22,17,827 Plus 78,53,77,803	SBI replenished BG to the extent of Rs. 78.54 Cr by using MCN sale proceeds to the extent of Rs. 78.54 Cr as 100% cash margin.
2	PNB	137	107,96,29,016	107,96,29,016	
3	Vijaya Bank	100	78,53,77,803	Nil	
4	Yes Bank	281	281,44,90,001	281,44,90,001	
5	Syndicate	200	157,07,55,606	157,07,55,606	
	Total	908	774,24,70,253	774,24,70,253	

18. SBI also had to replenish Vijaya Bank share of spectrum BG to the tune of Rs. 78,53,77,803 on 10.08.2018 as Vijaya Bank refused to replenish the same in the last minute. While other BG lenders set off their earlier invoked Spectrum BG from MCN sale proceeds to the tune of due instalment as per above table, SBI utilized Rs. 78.54 Cr of MCN proceeds as 100% cash margin to issue the additional BG.
19. During the meeting, it was informed to the lenders that Vijaya Bank has written an email on 10.08.2018 to all BG lenders conveying that in case MCN assets sale proceeds are used for the purpose other than permitted while issuance of NOC by Vijaya Bank, their NOC for asset monetization to be treated as null and void.
20. On specific query from lenders, Vijaya Bank representative confirmed that though a note has been put up to their board regarding withdrawal of email dated 10.08.2018, **their NOC is to be treated as null and void as on date**. LLC too confirmed such email from Vijaya Bank makes the NOC issued earlier null and void.



21. During the meeting SBI informed the lenders that this 100% margin of Rs. 78.54 Cr will be remitted to Vijaya Bank for setting off their invoked BGs to the tune of Rs. 78.54 Cr once they issue counter guarantee in favour of State Bank of India.
22. During course of meeting, SBI also informed lenders that RJio had sought additional holdback of 10% over and above agreed upon holdback of 10%, and same has been declined by SBI on behalf of lenders citing deviation from Definitive Agreement dated 28 Dec 2017. All lenders confirmed the stand taken by SBI in this regard.
23. On query from few lenders, It was reconfirmed during the meeting that the reference date for distribution of sale proceeds will be 01.06.2017 while forex rate will be taken as of 02.06.2017. Further, basis for distribution of sale proceeds will be aggregate of FB Outstanding Principal (without unpaid interest/charges) and NFB debt (excluding Spectrum BG and Axis OTSC BG).
24. Syndicate Bank proposed that Forensic Audit be carried out in respect of R Com/RITL/RTL in terms of Department of Financial services guidelines. Lenders unanimously agreed for obtention of bids from reputed consultants for carrying out the forensic audit.
25. Post lenders only session, company was informed as under :
- SBI may examine filing Intervention Application in the SSTL contiguity matter at request of RCOM subject to internal clearance by its legal department.
 - Lenders will confirm their respective outstanding with SBI, which will form basis for drawing up schedules for AMDA.
 - BDO, who is working as concurrent auditor will verify and confirm deductions sought by the company from asset monetization proceeds.
 - Company to take up with dissenting lenders i.e. Axis Bank, VTB capital and Vijaya Bank to bring them on board for monetization process.
 - Company will also arrange for pending ICA from all lenders to enable SBI to issue convenor confirmation to Reliance Jio and Axis Trustee for release of charge on assets.
 - Company to present roadmap for resolution of Balance Debt post monetisation.
 - Lenders expressed displeasure over pending dues of Lenders advisors viz SBICAPS, LLC-J Sagar & Associates and Concurrent Auditor BDO. Lenders advised RCOM to clear these fees on priority basis to enable advisors to continue support monetization and resolution process.
 - Forensic Audit of the account to be carried out in respect of RCOM/RTL and RITL.
 - Company should clarify as to why the Joint application with R Jio to DoT for transfer of 122.4 MHz has not been filed yet.
 - Company to update all the lenders on receipt of funds from sale of assets as and when it happens.
 - Company to circulate a note on status of sale of real estate assets on periodical basis.
 - Company shall bear the cost of Arbitration.

The meeting ended with vote of thanks to the chair.

