

**Minutes of the proceedings of the meeting No. 03/2015-16 of the Board of Directors of Reliance Communications Limited held on Monday, the 2<sup>nd</sup> November, 2015 at 10.00 a.m. at Board Room, 3<sup>rd</sup> Floor, Reliance Centre, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001.**

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**Directors Present**

Shri Anil D. Ambani	-	Chairman
Prof. J. Ramachandran	-	Director
Shri Deepak Shourie	-	Director
Smt. Manjari Kacker	-	Director

**In Attendance**

Shri Prakash Shenoy	-	Company Secretary and Manager
Shri Manikantan Iyer	-	Chief Financial Officer
Shri Punit Garg	-	President – Corporate Strategy and Regulatory Affairs (Present for Item No.6 to 8)
Shri Ravi Bansal	-	Partner, S. B.Batlboi & Co LLP (Present for item No.7)

**Chairman**

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

The Chairman informed the Board that due to urgency and for consideration of unpublished price sensitive matter, this meeting was convened at a shorter notice than required as agreed by the Directors at the meeting of the Board of Directors held on May 29, 2015.

- 1. Leave of absence:** Leave of absence was granted to Shri A.K. Purwar and Shri R.N.Bhardwaj, Directors, who had requested for the same.
- 2. To peruse and approve the Minutes of the proceedings of the meeting of the Board of Directors of the Company held on 14<sup>th</sup> August, 2015.**

Minutes of the proceedings of the meeting of the Board of Directors of the Company, held on 14<sup>th</sup> August, 2015, circulated to the Directors and placed before the meeting, were confirmed by the Board and signed by the Chairman.
- 3. To peruse and note the Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 14<sup>th</sup> August, 2015.**

Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 14<sup>th</sup> August, 2015, circulated to the Directors and placed before the meeting, was noted by the Board.
- 4. To peruse and note the Minutes of the proceedings of the meeting of the Stakeholders Relationship Committee of the Board of Directors of the Company held on 14<sup>th</sup> August, 2015 and 30<sup>th</sup> September, 2015.**

Minutes of the proceedings of the meeting of the Stakeholders Relationship Committee of the Board of Directors of the Company held on 14<sup>th</sup> August, 2015 and 30<sup>th</sup> September, 2015, circulated to the Directors and placed before the meeting, were noted by the Board.
- 5. 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 24<sup>th</sup> June, 2014, a Committee of Directors consisting 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 and necessary powers were delegated to it. The said Committee had approved issue of duplicate share certificates by passing Circular Resolutions.

The text of the Circular Resolutions were as follows:

**Date: 11.08.2015**

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 22 (Twenty Two) shareholders holding 6418 (Six Thousands Four Hundred Eighteen 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: 09.09.2015**

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 13 (Thirteen) shareholders holding 934 (Nine Hundred Thirty Four 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: 09.10.2015**

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 9 (Nine) shareholders holding 698 (Six Hundred Ninety Eight 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.

**6. To consider and approve the Merger Agreement and the Earn-out Deed.**

Shri Punit Garg, President (Regulatory) informed the Board that Sistema Shyam Teleservices Limited (“SSTL”), a public company incorporated under the provisions of the Companies Act 1956 has registered office at MTS Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021, Rajasthan, India. SSTL is engaged, inter alia, in the business of telecom services (under the brand MTS) in 9 Telecom circles. It offers data services as well as a range of Android smartphones, Wi-Fi devices, VAS services, voice roaming special tariff vouchers and data card roaming services. SSTL have about 9 million customers. SSTL is a subsidiary of the Russia based, Sistema Joint Stock Financial Corporation (“Sistema”) which holds 57% stake while Russian government holds close to 17% stake, India based Shyam Group holds 24% stake and other minority shareholders hold 2% stake in SSTL.

SSTL is holding spectrums in following 9 circles:

1. CDMA 800MHz in Nine Circles i.e. Delhi, Gujarat, Karnataka, Kerala, Kolkata, Rajasthan, Tamil Nadu, UP and West Bengal.
2. GSM 1800 MHz in one Circle i.e. Rajasthan.

He further briefed the Board with synopsis of the Merger Agreement and Earn-out Deed. He informed that the Company has agreed to acquire Wireless Telecom Business Undertaking of SSTL as detailed in the Merger Agreement by way of a Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 in consideration of issue and allotment of its equity shares to SSTL and payment of certain additional cash consideration as per terms set out in the Earn Out Deed.

### **Merger Agreement**

As per Merger Agreement, SSTL has given certain warranties and relying on the SSTL Warranties and in consideration of vesting and transfer of the SSTL Business (comprising of the SSTL Assets and the SSTL Liabilities) into the Company, as of the Completion Date, and as contemplated in the Scheme, on Completion, the Company shall (i) issue and allot such number of shares as may be allotted pursuant to the Scheme as Consideration Shares to SSTL free and clear of all Encumbrances, together with all rights, title, interests and benefits now or hereafter attaching thereto, and credited as fully paid and (ii) undertake by the Company to perform certain obligations under the Earn Out Deed.

### **Conditionality:**

The Completion of the transaction is conditional on the following major conditions being satisfied on or before 30th June, 2016.

- i. The High Court of Judicature at Bombay and the High Court of Rajasthan at Jaipur having approved the Scheme of Arrangement;
- ii. The Company having received, in-principle approval of the BSE and the NSE for the issuance of the Consideration equity Shares;
- iii. Receipt of approval of the Competition Commission of India for the transaction;
- iv. Approval from DoT; and
- v. Receipt of other approvals as may be required.

### **Earn Out Deed**

Pursuant to Earn Out Deed, the Company will be required to pay an Indian rupee equivalent (on the date of the payment), up to USD 300,000,000 (US Dollars Three hundred million only) to SSTL, if the Company receives necessary approval of the Department of Telecom (“DoT”) for contiguity and combined use of spectrum in any of the eight telecom circles or service areas (excluding the Rajasthan circle or service area), and

- (a) the Company is not liable to make any payment or provide any security pursuant to any condition attached to the approval received from DoT; or
- (b) the Company has, as a condition to the grant of the approval from DoT, made some payment or provided some security and it is finally, irrevocably and unconditionally determined that such payment / security was not payable or was not required to be made by the Company and the payment / security made by the Company is refunded / released to the Company.

"Contiguity Amount" means additional payments of any kind demanded by way of notice, invoice, demand or similar document by DoT containing any demand or assertion for payment of aforesaid demand by the Company in relation to spectrum acquired by SSTL in the DoT auction conducted in 2013 in order to allow the reorganisation of spectrum held by the Company and its Affiliates and the SSTL into a contiguous block of 5MHz and launch broadband Long-Term Evolution services.

The Company shall pay the amount ("Earn Out Payment Amount") to SSTL upon fulfilment of either of the conditions as set out below.

**Earn Out Conditions:**

Provided that the Company has received the Contiguity Approval:

1. and is not, in terms of the final Contiguity Approval, liable to pay the Contiguity Amount or provide any kind of security (including without limitation, a bank guarantee or undertaking) to secure the payment of the Contiguity Amount ("Contiguity Security")(the "No Payment Earn Out Payment Event"); or
2. has, as a condition to the grant of the Contiguity Approval, paid the Contiguity Amount or provided the Contiguity Security and it is finally, irrevocably and unconditionally determined by the highest Appropriate Forum in a non-appealable order that the Contiguity Amount was not payable or that the Contiguity Security was not required to be made by the Company (the "Final Decision Earn Out Payment Event") and the Contiguity Amount is refunded to the Company and/or Contiguity Security released,

Shri Punit Garg explained in detail the major terms of the Merger Agreement and Earn Out Deed to the Board.

A copy of draft of the Merger Agreement and draft Earn-out Deed were placed before the meeting. The draft Press Release in this regard was also placed before the meeting.

The Board of Directors discussed the matter relating to Merger Agreement, Earn Out Deed in detail and passed the following resolution unanimously:

**"RESOLVED THAT** consent of the Board be and is hereby accorded to execute, deliver and perform the transactions contemplated under the: (i) Merger Agreement ("Merger Agreement") proposed to be executed amongst the Company, Sistema Shyam Teleservices Limited ("SSTL"), Sistema JSFC ("Sistema") and the persons set out in Schedule 1 of the Merger Agreement ("ADA Entities"); and (ii) Earn Out Deed ("Earn Out Deed") proposed to be executed amongst the Company, SSTL and STA Capital LLC. The drafts of the Merger Agreement and Earn Out Deed as placed before the Board be and are hereby confirmed and approved.

**RESOLVED FURTHER THAT** any of the Directors of the Company and Shri Prakash Shenoy, Company Secretary and Manager and Shri Manikantan Iyer, Chief Financial Officer and Shri Punit Garg, Shri Amit Mathur and Shri Anil C Shah, being the persons authorized in this behalf, (Authorised Signatories) be and are hereby severally authorized on behalf of the Company to negotiate, amend, finalise, sign and execute the Merger Agreement and Earn Out Deed and all other agreements and documents pursuant to the Merger Agreement and Earn Out Deed (including any amendments thereto) and do all such other acts, deeds, things, matters as may be considered necessary or required for giving effect to the above

resolution, including any filings required to be made with any governmental or regulatory authorities for the transactions contemplated under the Merger Agreement and Earn Out Deed, on behalf of the Company.

**RESOLVED FURTHER THAT** any of the Directors of the Company, Shri Manikantan Iyer, Chief Financial Officer and Shri Prakash Shenoy, Company Secretary and Manager be and are hereby severally authorised to delegate any powers conferred hereinabove, to any Executive or such other fit and proper person, as also to execute such documents, writings etc. as may be necessary in the discretion of any of them in order to give effect to this resolution.

**RESOLVED FURTHER THAT** the Common Seal of the Company be affixed, if necessary, to the documents, including but not limited to affidavits, petitions, pleadings, applications, declarations, deeds and other writings as may be required to be executed for this purpose in the presence of any of the abovementioned Authorised signatories including persons delegated with powers pursuant to this resolution, who shall sign the same in authentication thereof, in accordance with the Company's Articles of Association.

**RESOLVED FURTHER THAT** any of the Authorised Signatories be and is hereby authorised to certify a copy of this resolution and issue the same to the concerned parties."

**7. To consider and approve the Scheme of Arrangement for demerger i.e. transfer and vesting of Wireless Telecom Business Undertaking of Sistema Shyam Teleservices Limited into the Company.**

Shri Punit Garg, President (Regulatory) of the Company informed that the, SSTL Board has agreed to transfer its Wireless Telecom Business Undertaking to the Company through Court approved scheme of arrangement between the Company, SSTL and their respective shareholders and creditors pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (the "Scheme" or "Scheme of Arrangement") in return for, inter-alia, the issuance and allotment of its equity shares by the Company to SSTL and performance of other obligations.

He further informed that the assets and liabilities of aforesaid Undertaking will cover the following:

**SSTL Assets:**

a) Telecom equipments b) Information technology assets c) OFC Cables d) Wireline node and related assets e) telecom licenses: UL, UASL, ISP, NLD and Right to use Spectrum f) CENVAT credit of approximately USD 90 million, handset and devices inventory etc.

**SSTL Liabilities:**

a) Negative working capital not exceeding USD 40 million.  
b) Current liability of USD 100 million  
c) Existing Deferred obligations to Government of India for the Spectrum  
d) Exit penalties related IP colo contracts  
e) DoT liabilities for the identified disputes as provided and any liability for sites that have been exited by the transferor company prior to completion etc.

Thereafter a draft of the Scheme of Arrangement was presented to the Board.

The key features of the Scheme of Arrangement are as follows:

1. **“Appointed Date” and “Effective Date”** means opening business hours of the 7<sup>th</sup> business day from the last of the dates on which the condition precedent under Clause 18 of the Scheme are complied with.
2. The Assets and Liabilities to be transferred under the Scheme are as follows:

**SSTL Assets:**

a) Telecom equipments b) Information technology assets c) OFC Cables d) Wireline node and assets e) telecom licenses: UL, UASL, ISP, NLD and Right to use Spectrum f) CENVAT credit of approximately USD 90 million, handset and devices inventory etc.

**SSTL Liabilities:**

a) Negative working capital not exceeding USD 40 million.  
b) Current liability of USD 100 million  
c) Existing Deferred obligations to Government of India for the Spectrum  
d) Exit penalties related IP colo contracts  
e) DoT liabilities for the identified disputes as provided and any liability for sites that have been exited by the transferor company prior to completion etc.

3. **Consideration**

Upon the Scheme becoming effective and in consideration of the transfer of undertaking, the Company will issue fully paid up equity shares of Rs.5 each to the SSTL and the payment of certain additional cash consideration, if any subject to and on the terms set out in the Earn Out Deed.

4. **Conditionality of the scheme**

The Completion of the transaction is conditional on the following Conditions being satisfied on or before 30<sup>th</sup> June, 2016.

- 1) The High Court of Judicature at Bombay and the High Court of Rajasthan at Jaipur having approved the Scheme;
- 2) The Company having received, in-principle approval of the BSE and the NSE for the issuance of the Consideration equity shares;
- 3) The approval from the Department of Telecommunications; and
- 4) Pursuant to the provisions of the Competition Act, the approval of the Competition Commission of India for the transaction.

5. **Rational of the Scheme**

The transfer of Wireless Telecom Business Undertaking to the Company will have following benefits to the Company:

- (a) further expanding into the growing markets of India;
- (b) creating value for shareholders by acquiring ready-to-use infrastructure;
- (c) availability of increased resources and assets which can be utilised for strengthening customer base and servicing existing as well as new customers innovatively and efficiently;
- (d) strong infrastructural capability to effectively meet future challenges in the ever-evolving telecom business;
- (e) strategic fit for serving existing market and also to cater additional

- volume linked to new consumers;
- (f) synergies in operational process and logistics alignment leading to economies of scale and creation of efficiencies by reducing time to market and benefitting customers as well as resulting in optimization of operation and capital expenditure;
  - (g) helping the Transferee Company in strengthening the assets base while also enhancing financial flexibility; and
  - (h) leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of both the companies thereby significantly contributing to future growth and maximizing shareholders value.

The Scheme of Arrangement would be subject to requisite permissions, sanctions and approvals, including, in particular, approval by the Hon'ble High Court of Judicature at Bombay and High Court of Rajasthan at Jaipur.

The Board was further informed that as part of the Scheme, Company is amending its Articles of Association of the Company. A sheet showing amendments to be carried out in the Articles of Association of the Company was also placed before the meeting.

As required under clause 24(f) of the Listing Agreement, the Company will file the Scheme along with other necessary information / documents with the BSE Limited and National Stock Exchange of India Limited post the approval of the Board.

A Report of the Audit Committee recommending the Scheme of Arrangement for demerger of Wireless Telecom Business Undertaking of Sistema Shyam Teleservices Limited into the Company was placed before the Board.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013 and applicable provisions of the Memorandum and Articles of Association of the Company and also subject to the sanction of the High Court of Judicature at Bombay, High Court of Rajasthan at Jaipur or the National Company Law Tribunal constituted under the provisions of the Companies Act, 2013 as the case may be, and subject to requisite approvals of the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and approval of the Members and Creditors as required under Sections 391 to 394 of the Companies Act, 1956 read with the Company Court Rules, 1959, the Competition Commission of India (“CCI”), the Department of Telecommunications (“DoT”) and subject to approval of any other statutory / regulatory authorities as may be required and based on the recommendation of the Audit Committee of the Company, the scheme of arrangement between the Company (“Transferee Company”), Sistema Shyam Teleservices Limited (“SSTL” or “Transferor Company”) and their respective shareholders and creditors (“Scheme”), considering the demerger i.e. transfer and vesting of the Wireless Telecom Business Undertaking of SSTL into the Company on the terms and conditions as stated in the Scheme placed before the Board and initialed by the Company Secretary for the purpose of identification be and is hereby accepted and approved.

**RESOLVED FURTHER THAT** the consent of the board be and is hereby accorded to the Company to (i) issue and allot to the Transferor Company, 27,65,53,305 fully paid up equity share of Rs.5 (Rupees Five only) each of Transferee Company, free and clear of all Encumbrances; and (ii) undertake to perform its obligation under the Earn Out Agreement.

**RESOLVED FURTHER THAT** the contents of the Share Entitlement Ratio Report dated 2<sup>nd</sup> November, 2015 issued by S. R. Batliboi & Co. LLP, an Independent Chartered Accountant firm, in connection with the proposed Scheme, a copy of which is tabled at the meeting, duly initialled by the Company Secretary for the purpose of identification, are noted and accepted.

**RESOLVED FURTHER THAT** the contents of the fairness opinion dated 2<sup>nd</sup> November, 2015 issued by Keynote Corporate Services Limited, a Category-I Merchant Banker on the fairness of the share entitlement ratio determined by S. R. Batliboi & Co. LLP, an Independent Chartered Accountant firm, a copy of which is tabled at the meeting, duly initialled by the Company Secretary for the purpose of identification, are noted and accepted.

**RESOLVED FURTHER THAT** any of the Directors of the Company, Shri Prakash Shenoy, Company Secretary and Manager and Shri Manikantan Iyer, Chief Financial Officer and Shri Punit Garg, Shri Amit Mathur and Shri Anil C Shah, being the persons authorized in this behalf (Authorised Signatories), be and are hereby authorized, severally, to take all such steps in connection with:

- (a) Making such alterations and changes in the draft Scheme, as may be expedient or necessary or satisfying the conditions/requirement imposed by the High Court of Judicature at Bombay, High Court of Rajasthan at Jaipur, BSE and NSE, CCI, DoT and/or any other statutory/regulatory authorities, as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme as approved in this meeting;
- (b) Finalize and settle the Scheme, the notices for convening/ dispensing with the meetings of the shareholders and/or creditors of the Company and the explanatory statements under Section 393 of the Companies Act, 1956 or any such applicable provisions under Companies Act, 2013, in terms of the directions of the Courts, and assent to such alterations, conditions and modifications, if any, in the notices and explanatory statement as may be prescribed or imposed by the Courts or effect any other modification or amendment as they may consider necessary or desirable to give effect to the Scheme;
- (c) Give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law);
- (d) To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals including "in principle" approvals as and when required before any Court, Tribunal, Stock Exchange, or Statutory/Regulatory Authorities;

- (e) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all manner of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 1956, Companies Act, 2013, Companies (Court) Rules 1959, Listing Agreement, Competition Act, 2002 and other applicable laws/regulations in relation to the aforesaid matter and to represent the Company in all correspondences, matters and proceedings of any nature whatsoever in relation to the above;
- (f) To authenticate any document, instrument, proceeding and record of the Company;
- (g) Obtaining the requisite approval and/or consents of the shareholders, secured lenders of the Company, banks, financial institutions and other regulatory authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf;
- (h) To file applications and/or petitions before the High Court of Judicature at Bombay and / or the High Court of Rajasthan at Jaipur for the directions for holding/ dispensing meetings of the shareholders and creditors and for sanction of the Scheme;
- (i) Suitably inform, apply and/or represent to the Central and/or State Government(s) and/or local authorities, including but not limited to the Sub-Registrar of Assurances, Customs authorities, Excise authorities, Income Tax authorities, Sales Tax authorities, Value Added Tax and Entry Tax authorities, Employees' State Insurance and Provident Fund authorities, Telephone authorities, Electricity authorities, Postal authorities, and all other applicable authorities, agencies, etc, and/or to represent the Company before the said authorities and agencies and to sign and submit such applications, letters, forms, returns, memoranda, undertakings, declarations, deeds or documents and to take all required necessary steps and actions from time to time in the above connection, including registration of documents with the concerned Sub-Registrar of Assurances;
- (j) To engage any counsel, consultant firms, advocates, attorneys, pleaders, solicitors, valuers, auditors, accountants, registrars or any other one or more agencies, as may be required in relation to or in connection with the Scheme, on such terms and conditions as they may deem fit, finalise their fees, terms and conditions of their appointment, issue appointment letter(s), furnish such information as may be required by them and also to sign, execute and deliver all documents, letters, advertisements, announcements, disclosures, affidavits, undertakings and other related documents in favour of the concerned authorities, advocates or any one or more persons or firms as they may deem fit and to do all such acts, deeds and things as they may deem fit and as may be necessary in this regard;
- (k) Incur such other expenses as may be necessary with regard to the above transaction, including payment of fees to solicitors, merchant bankers, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;

- (l) Make any modifications as they may consider necessary in relation to the procedure and modalities of effecting the transactions contemplated in the Scheme;
- (m) Consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. which may be sent/required to be sent to the concerned authorities on behalf of the Company;
- (n) To file requisite forms with the Ministry of Corporate Affairs/ Registrar of Companies in connection with the Scheme during the process of sanction thereof and during the implementation of the Scheme;
- (o) To make necessary applications to various Statutory Authorities, as may be required for the purpose of sanction and/or implementation of the Scheme and to make such disclosures to governmental or regulatory authorities as may be required for the purpose;
- (p) Affix the Common Seal of the Company on such agreements, undertakings, deeds, documents, writings, etc, as may be required, (including on any modifications or amendments thereto as may be required from time to time), in connection with the purpose of the above resolutions as may be required, in the presence of any of the abovementioned Authorised signatories including persons delegated with powers pursuant to this resolution, who shall sign the same in authentication thereof, in accordance with the Company's Articles of Association;
- (q) Sign, execute and deliver such documents as may be necessary and do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid;
- (r) Authorise the Officers of the Company and/or any other persons to discuss, negotiate, finalise, execute, sign, submit and file all required documents, deeds of assignment/conveyance and any other deeds, documents, Schemes, agreements, forms, returns, applications, letters, etc. including any modifications thereto, whether or not under the Common Seal of the Company, as may be required from time to time, and to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion in the above matters without any further approval of the Board;
- (s) To delegate any powers conferred hereinabove, to any Executive / Officer of the Company / Holding company/ subsidiary companies/ fellow subsidiary companies/ Attorney of the Company, as also to execute such documents, writings etc. as may be necessary in the discretion of any of them in order to give effect to this resolution; and
- (t) To do all such acts and things and deal with all such matters and take all steps as may be necessary including the modification of the Scheme, if required, issuing consent letters and do all such other acts, matters, deeds and things necessary, proper or desirable in connection with or incidental to giving effect to the purposes of this Resolution.

**RESOLVED FURTHER THAT** an undertaking with regard to non-applicability of requirements as prescribed in terms of Paragraph 5.16(a) of the Securities and Exchange Board of India ("SEBI") Circular No.CIR/CFD/DIL/5/2013

dated 4 February 2013 as modified by Paragraph 7 of SEBI Circular No.CIR/CFD/DIL/8/2013 dated 21 May 2013 in respect of the Scheme duly certified by the Statutory Auditors of the Company i.e., M/s. Chaturvedi & Shah, Chartered Accountants as placed before the Board be accepted and approved and that Shri Prakash Shenoy, Company Secretary and Manager and Shri Manikantan, Chief Financial Officer of the Company be and are hereby severally authorized to sign the aforesaid undertaking.

**RESOLVED FURTHER THAT** the NSE be and is hereby chosen as Designated Stock Exchange ("DSE") for coordinating with SEBI for obtaining approval of SEBI in accordance with Circular No.CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 issued by SEBI read with Clause 24(f) of the Listing Agreement.

**RESOLVED FURTHER THAT** consent of the Board be and is hereby accorded to the Company for availing of any certification services that may be required from the Statutory Auditors in connection with the Scheme and as prescribed under various legislations and regulations including but not limited to certification under Reserve Bank of India regulations, Foreign Exchange Management Act, Listing Agreement with the Stock Exchanges, SEBI Act and the guidelines/ regulations framed thereunder, Companies Act 2013 and rules framed thereunder.

**RESOLVED FURTHER THAT** the copy of this resolution certified to be true by any Director of the Company or the Company Secretary or by any one of the Authorised Signatories be submitted to the concerned authorities and they be requested to act thereon."

**8. To consider and approve Shareholders Agreement to be executed with Sistema Shyam Teleservices Limited, Sistema JSFC and others.**

The Board was informed that Company, SSTL, Sistema JSFC ("Sistema") and the ADA Entities (Promoter) have entered into a Merger Agreement pursuant to which SSTL has agreed to transfer its Wireless Telecom Business Undertaking into to the Company, and the Company has agreed to issue 27,65,53,305 fully paid up equity shares of Rs.5 (Rupees Five only) each of the Company aggregating to 10% of the fully diluted paid up share capital of the Company to SSTL.

The Board was further informed that as required under the transaction document, the Company needs to enter into Shareholders Agreement amongst the Company, SSTL, Sistema, and the persons set out in Schedule 1 of the Shareholders Agreement ("ADA Entities").The said Shareholders Agreement will become effective on and from completion.

Draft Shareholders' Agreement was placed before the meeting.

The some of the major provisions of the Shareholders Agreement are as under:

**(1) Relationship of Agreement and the Articles**

Each Shareholder undertakes to the other Shareholder that, if, during the continuance of this Agreement, there shall be any conflict between the provisions of this Agreement and the Articles, then to the extent permitted under Applicable Law and as between the Shareholders, during such period, the provisions of this Agreement shall prevail in relation to such conflicts.

**(2) No amendment to the Articles**

Save as provided in the Articles adopted by the Company immediately prior to the date hereof, and without limiting Clause 2.1.2, each Shareholder agrees that nothing contained in this Agreement shall be deemed to constitute an amendment to the Articles.

The ADA Entities and the Company undertake that to give full effect to this Agreement, the Amended Articles of Association shall be adopted by the Company on the Completion Date, i.e. immediately after the Scheme coming into the effect.

Any amendments to: the provisions of the Articles relating to the SSTL Shareholder Rights; or any other provisions of the Articles to the extent they adversely affect the rights of the minority shareholders of the Company or the rights of SSTL under the Transaction Documents; will require the prior written consent of SSTL. The prior written consent of SSTL required in respect of this Clause 2.1.5 is not to be unreasonably withheld or delayed.

**(3) Promoters and Persons Acting in Concert**

The ADA Entities shall continue to be the promoter group of the Company as defined in the SEBI Takeover Regulations and shall be identified as such in all regulatory disclosures for so long as the ADA Entities are in Control of the Company or are required by Applicable Law to be identified as such. Subject to Applicable Law, SSTL shall not be identified as a promoter of the Company or a member of the promoter group and the Company shall not be regarded as an Affiliate of SSTL or Sistema. The ADA Entities and SSTL are regarded as persons acting in concert for the purposes of the SEBI Takeover Regulations ("PAC") and shall be identified as such in such regulatory disclosures as may be required for so long as they continue to be regarded as PACs in accordance with Applicable Law. For the avoidance of doubt, the provisions of this Clause 2.2 shall not prejudice any of the rights or obligations of any of the Parties under this Agreement.

**(4) Change of Control of the ADA Entities**

If a Change of Control occurs in respect of the ADA Entities, SSTL shall have the discretion to exercise the SSTL Put Option (i) within 10 Business Days (or if it cannot exercise the option within this time period on account of any requirement of Applicable Law, such later date as may be required in order to comply with Applicable Law) of receiving the Change of Control Notice or (ii) in the event the ADA Representative fails to provide a Change of Control notice pursuant to Clause 4.1, within 30 Business Days (or if it cannot exercise the option within this time period on account of any requirement of Applicable Law, such later date as may be required in order to comply with Applicable Law) of becoming aware that a Change of Control in respect of any the ADA Entities has occurred, such discretion in either case to be exercised in accordance with Clause 6.6.

**(5) Shareholder Advisory Committee**

The Shareholders shall establish a shareholder advisory committee in relation to the Company as soon as reasonably practicable but in no case later than two (2) months following the Completion Date (the "Advisory Committee").

The function of the Advisory Committee shall be to consider and, where appropriate, make recommendations to the Board in relation to the items on the agenda for meetings of the Board and such other issues as may be mutually agreed between the Shareholders.

The ADA Entities shall endeavour to reflect the recommendations of the Advisory Committee in discussions and deliberations by their nominees at the next scheduled meeting of the Board, or if appropriate, at the next scheduled meeting of the shareholders of the Company.

- (6) **Composition of the Advisory Committee:** The Advisory Committee shall comprise six (6) members, being: four (4) members nominated by the ADA Entities from time to time (the "ADA Members"); and two (2) members nominated by SSTL from time to time (the "SSTL Members").

(7) **Voting Support**

SSTL shall (to the fullest extent permitted under Applicable Law and to the extent it does not materially and adversely affect SSTL or Sistema's rights and obligations under any of the Transaction Documents) irrevocably undertake and covenant to the ADA Entities promptly to mandatorily exercise all of its Shareholder Rights at any and all meetings of the shareholders of the Company solely in accordance with such written directions of the ADA Entities as may be given to it from time to time by the ADA Representative (which, in each case, should be at least 3 (three) Business Days before the relevant meeting of the shareholders of the Company) ("Voting Support"), save as provided in Clause 6.2. In the absence of such written directions, SSTL shall exercise its Shareholders Rights as it may deem fit.

(8) **SSTL Put Option**

The SSTL has Put Option which may be exercised only in certain circumstances.

(9) **Termination**

This Agreement shall, notwithstanding Completion, remain in full force and effect as between all the Parties until the earlier of:

- a. the dissolution of the Company;
- b. the agreement of all the Parties that this Agreement be terminated;
- c. any material breach by either, ADA Entities on one hand and SSTL on the other hand of their obligations under this Agreement, and, if such breach is capable of remedy, has not been remedied within a period of 30 (thirty) days from the date of the notice from the other Party specifying such breach and requiring the remedying of such breach, in which case the Party not in breach may terminate the Agreement;
- d. the date on which all of the ADA Entities cease to hold any Shares;  
or
- e. the date on which SSTL's and its Affiliates' collective shareholding is reduced to less than:
  - (i) seven (7) per cent of the Company's issued share capital as a result of a sale by SSTL of any (or all) of its Shares to a third party; or
  - (j) four (4) per cent of the Company's issued share capital as a result of issue of shares by the Company.

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

**"RESOLVED THAT** consent of the Board be and is hereby accorded to execute, deliver and perform the obligations under the Shareholders Agreement to be executed amongst the Company, Sistema Shyam Teleservices Limited ("SSTL"), Sistema JSFC ("Sistema"), and the persons

set out in Schedule 1 of the Shareholders Agreement (“ADA Entities”) as placed before the Board be and is hereby confirmed and approved.

**RESOLVED FURTHER THAT** Shri Prakash Shenoy, Company Secretary and Manager and Shri Manikantan, Chief Financial Officer of the Company and Shri Punit Garg, Shri Amit Mathur and Shri Anil C Shah, being the persons authorised in this behalf (hereinafter referred as 'Authorised Signatories'), be and are hereby severally authorized on behalf of the Company to negotiate, amend, finalise, sign and execute the Shareholder Agreement and all other agreements and documents pursuant to the said Shareholder Agreement (including any amendments thereto) and do all such other acts, deeds, things, matters as may be considered necessary or required for giving effect to the above resolution, including any filings required to be made with any governmental or regulatory authorities for the transactions contemplated under the Shareholder Agreement, on behalf of the Company.

**RESOLVED FURTHER THAT** Authorised Signatories be and are hereby severally authorised to delegate any powers conferred hereinabove, to any Executive / Officer of the Company or such other fit and proper person, as also to execute such documents, writings etc. as may be necessary in the discretion of any of them in order to give effect to this resolution.

**RESOLVED FURTHER THAT** the Common Seal of the Company be affixed, if necessary, to the documents, including but not limited to affidavits, petitions, pleadings, applications, declarations, deeds and other writings as may be required to be executed for this purpose in the presence of any of the abovementioned Authorised signatories including persons delegated with powers pursuant to this resolution, who shall sign the same in authentication thereof, in accordance with the Company's Articles of Association.

**RESOLVED FURTHER THAT** Shri Prakash Shenoy, Company Secretary and Manager and Shri Manikantan Iyer, Chief Financial Officer be and are hereby severally authorised to certify a copy of this resolution and issue the same to all concerned parties.”

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

The meeting concluded at 11.10 a.m.

**Chairman**

**Entered on:** 6.11.2015

**Signed on:**