

Minutes of the proceedings of the meeting No. 01/2015-16 of the Board of Directors of Reliance Communications Limited held on Friday, the 14th August, 2015 at 3.30 p.m. at Board Room, 3rd Floor, Reliance Centre, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001.

Directors Present

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

In Attendance

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

Chairman

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

- 1. Leave of absence:** All the Directors were present.
- 2. To peruse and approve the Minutes of the proceedings of the meeting of the Board of Directors of the Company held on 29th May, 2015.**

Minutes of the proceedings of the meeting of the Board of Directors of the Company, held on 29th May, 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 28th May, 2015.**

Minutes of the proceedings of the meeting of the Audit Committee of the Board of Directors of the Company held on 28th May, 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 Nomination and Remuneration Committee of the Board of Directors of the Company held on 28th May, 2015.**

Minutes of the proceedings of the meeting of the Nomination and Remuneration Committee of the Board of Directors of the Company held on 28th May, 2015, circulated to the Directors and placed before the meeting, was noted by the Board.
- 5. 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 28th May, 2015.**

Minutes of the proceedings of the meeting of the Stakeholders Relationship Committee of the Board of Directors of the Company held on 28th May, 2015, circulated to the Directors and placed before the meeting, was noted by the Board.
- 6. To peruse and note the Minutes of the proceedings of the meeting of the Risk Management Committee of the Board of Directors of the Company held on 28th May, 2015 and 27th June, 2015.**

Minutes of the proceedings of the meeting of the Risk Management Committee of the Board of Directors of the Company held on 28th May, 2015 and 27th June, 2015, circulated to the Directors and placed before the meeting, were noted by the Board.

7. To take note of Circular Resolutions passed by the Committee of the Board of Directors of the Company in the matter of issue of duplicate share certificates to the Shareholders of the Company.

The Board was informed that at the meeting of the Board of Directors held on 24th June, 2014, a Committee of Directors 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 Resolution was as follows:

Date: 13.06.2015

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 18 (Eighteen) shareholders holding 4450 (Four Thousands Four Hundred Fifty 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: 09.07.2015

“RESOLVED THAT the Committee of the Board do hereby approve issue of duplicate Equity Share Certificates to 20 (Twenty) shareholders holding 1386 (One Thousands Three Hundred Eighty Six only) equity shares of the Company as per the statement circulated to the members of the Committee of the Board and enclosed with this resolution.

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

The Board took note of the same.

8. To note the Audit Certificate of reconciliation of Share Capital of the Company made upto 30th June, 2015.

A Certificate of Capital Integrity submitted to the Stock Exchanges, pursuant to SEBI Notification dated 31st December, 2002, confirming reconciliation of total equity shares held with both the depositories, viz. NSDL and CDSL and in physical form with the total issued and paid up equity share capital of the Company upto the quarter ended 30th June, 2015 issued by M/s. Haribhakti & Co., Chartered Accountant and submitted to the Stock Exchanges and placed before the Board was perused and noted.

9. To note the details of the Foreign Exchange Forward Contracts, Derivatives Contracts and Cash flow on forward and Derivatives Foreign Exchange contracts carried out by the Company for the quarter ended 30th June, 2015.

A statement showing the Foreign Exchange Forward Contracts, Derivatives Contracts and Cash flow on forward and Derivatives Foreign Exchange contracts carried out by the Company in respect of Exchange Rate Risk and Liability as on 30th June, 2015 was placed before the Board.

The Board was informed that the transactions during the quarter ended 30th June, 2015, had resulted in net outflow of Rs. 0.27 crore.

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

“RESOLVED THAT the details of the Foreign Exchange Forward Contracts, Derivatives Contracts and Cash flow on forward and Derivatives Foreign Exchange contracts carried out by the Company in relation to Liability Management for the quarter ended 30th June, 2015, as per the statement and information placed before the meeting be and are hereby noted and that any of Shri Prakash Shenoy, Company Secretary, Shri Manikantan Iyer, Chief Financial Officer and Shri D. Viswanath, Authorised Signatory, be and are hereby severally authorised to file the details relating to said transactions, with the Reserve Bank of India and take necessary action as may be required in the matter.”

10. To note disclosure received from the Directors and Manager.

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

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

Minutes of the proceedings of meetings of the Board of Directors held during the quarter ended 30th June, 2015 of all the subsidiaries of the Company, together with the list of subsidiaries, were placed before the Board. The statement containing details of significant transactions pertaining to loans, advances, investments and borrowing made by the subsidiary companies during the quarter ended 30th June, 2015 was also placed before the Board. The Board perused the information on the material transactions involving subsidiary companies and related parties particularly Investments made by them and noted that the following transactions wherein management is in process of getting similar benchmarking transactions in the industry:

(Rs. in crore)

Sr No.	Name of the party	Transactions for the year 2014-15	Transaction description
1	Reliance Telecom Limited	78 40	Call usage income on domestic and international roaming. GSM national roaming expenses
2	Reliance Webstore Limited	120	Selling and marketing expenses
3	Reliance Communications Inc.	370	Global calling and settlement charges
4	Various subsidiaries	5,237	Corporate Guarantee Commission

The Board after deliberation, approved the aforesaid transactions entered/ to be entered into with related parties.

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

A Compliance certificate issued by the Legal Department of the Company for the quarter ended 30th June, 2015 was placed before the Board. The Compliance Certificate, inter-alia confirmed the compliance of various laws by the Company as applicable from time to time.

The Board noted the same and took on record.

13. To approve payment of audit fees to the Auditors for the first quarter of financial year 2015-16.

The Board was informed that at the 10th Annual General Meeting of the members of the Company held on 30th September, 2014, the Shareholders of the Company had appointed M/s. Chaturvedi & Shah, Chartered Accountants and M/s. BSR & Co.LLP, Chartered Accountants as Auditors to conduct statutory audit of the Company for the financial year 2014-2015, who shall hold the office until the conclusion of the ensuing Annual General Meeting of the Company.

The Board was further informed that the first quarter of the current financial year has ended on 30th June, 2015. As per the provision of Clause 41 of the Listing Agreement, the Company need to publish unaudited financial results of the Company for the first quarter ended 30th June, 2015. The Auditors by virtue of their appointment are required to have carried out Limited Review of the quarterly accounts for the quarter ended 30th June, 2015. The Board was further informed that in the previous year, each Auditor was paid an amount of Rs.50 lac per quarter.

The Board was further informed that at the meeting of the Audit Committee of the Board of Directors held on 14th August, 2015 has recommended for payment of fees of Rs.50 lac to each of the Auditors i.e. M/s. Chaturvedi & Shah, Chartered Accountants and M/s. BSR & Co.LLP, Chartered Accountants, towards part of audit fees and issuance of limited review report for the quarter ended 30th June, 2015.

The Board of Directors discussed the matter and passed the following resolutions.

"RESOLVED THAT as recommended by the Audit Committee at its meeting held on 14th August, 2015, the Board do hereby approve payment of fees of Rs.50 lac (Rupees fifty lac only) exclusive of travelling and other out of pocket expenses, to each of the Auditors of the Company, i.e. M/s. Chaturvedi & Shah, Chartered Accountants and M/s. BSR & Co. LLP, Chartered Accountants, towards part Audit fees and for issuing the Limited Review Report for the quarter ended 30th June, 2015.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary and Shri Manikantan Iyer, Chief Financial Officer of the Company be and are hereby severally authorised to do all such acts and things necessary in the matter."

14. To consider and approve appointment of Secretarial Auditor for the financial year 2015-16.

The Board was informed that pursuant to the provisions of Section 204 of the Companies Act, 2013 and the relevant Rules made thereunder, it is

necessary for the Company to carry out secretarial audit for the financial year 2015-16. The Secretarial audit will be conducted by a Company Secretary in practice and will cover audit of secretarial and other records of the Company. The report of the secretarial auditor shall also be annexed to the report of the Board to be circulated to the shareholders of the Company.

The Board was further informed that the Board had appointed M/s. Kaushik M Jhaveri & Co., Practicing Company Secretary as Secretarial Auditor for the Financial Year 2014-15 and they had submitted secretarial audit report to the Company.

A List of Practicing Company Secretaries identified for the proposed appointment as Secretarial Auditor was placed before the Board.

The Board discussed the matter and passed the following resolution.

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013 and rules made there under, M/s. Ashita Kaul & Co, Practicing Company Secretary, be and is hereby appointed as the Secretarial Auditor of the Company to conduct secretarial audit for the Financial Year 2015-16 on annual fees as may be decided by Shri Prakash Shenoy, Company Secretary and Manager plus applicable service tax, in addition to reimbursement of traveling and other out-of-pocket expenses incurred incidental to their functions.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary and Manager, be and is hereby authorised to do all such acts and things necessary in the matter."

15. To approve Cost Audit Report for the year ended 31st March, 2015.

The Board was informed that in exercise of the powers conferred under Section 469 and Section 148 of the Companies Act, 2013 and in supersession of Companies (Cost Accounting Records) Rules, 2011, Companies (Cost Audit Report) Rules, 2011, Cost Accounting Records (Telecommunication Industry) Rules, 2011, the Central Government has made rules, namely Companies (Cost records and audit) Rules, 2014 (the Rules). As per the provisions of the Rules, the Company shall be required to include cost records in their books of account and get its audit records audited by Cost Auditors. Further, in compliance with the Rules, the Company had appointed M/s. V. J. Talati & Company, Cost Accountants as the Cost Auditor for the financial year 2014-15.

The Board was further informed that the Company is required to file Cost Audit report with the Central Government within 180 days from the close of the company's financial year.

The Cost Audit Report duly reviewed by the Audit Committee at its meeting held earlier on 14th August, 2015 was placed before the Board.

The Board discussed the matter and after detail deliberation, passed the following resolution:

"RESOLVED THAT pursuant to Companies (Cost records and audit) Rules, 2014, the Cost Audit Report for the Financial Year ended 31st March, 2015, as per the statement placed before the meeting and as reviewed by the Audit Committee at their meeting held on 14th August, 2015 be and are hereby approved and that the same be signed by any one of the Directors and Company Secretary of the Company.

RESOLVED FURTHER THAT Shri Prakash Shenoy, Company Secretary be and is hereby authorised to do everything necessary and incidental in this regard.”

16. To approve audited Accounting Separation Reports for the year ended March 31, 2015 to be submitted to TRAI.

The Board was informed that the Telecom Regulatory Authority of India (TRAI) had issued “The Reporting System on Accounting Separation Regulation, 2004” on 23rd February, 2004 mandating the submission of audited Accounting Separation Reports (ASR) to TRAI by service providers having an aggregate turnover of Rs.25 crore or more during the preceding financial year. These Reports provide information on revenues, costs returns and capital employed in major areas of a service provider’s business, which enables the TRAI to address anti-competitive behaviour, discrimination and predatory pricing concerns and to facilitate fair competition.

The Board was further informed that the TRAI reviewed the said regulation and revised the said regulation and issued new regulation named “The Reporting System on Accounting Separation Regulation, 2012.” The salient features of the “The Reporting System on Accounting Separation Regulation, 2012” were discussed at the meeting.

The Board discussed the matter and after detail deliberation, passed the following resolution:

“RESOLVED THAT the Accounting Separation Reports for the year ended 31st March, 2015, prepared based on “The Reporting System on Accounting Separation Regulation, 2012” as placed before the meeting be and are hereby approved and that the same be signed by any one of the Directors or Shri Prakash Shenoy, Company Secretary or Shri Manikantan Iyer, Chief Financial Officer or Shri Gopalan Srinivansa or Shri Ramanan Laxminarain, Authorised Signatory (ies) of the Company.

RESOLVED FURTHER THAT M/s Chaturvedi & Shah, Statutory Auditors of the Company be and is hereby appointed as Auditor for certifying Accounting Separation Reports of the Company to be submitted to Telecom Regulatory Authority of India.

RESOLVED FURTHER THAT Shri Manikantan Iyer, Chief Financial Officer of the Company be and is hereby authorised to do everything necessary and incidental in this regard.”

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

A status report dated August 10, 2015 issued by M/s. Aggarwal Law Associates, Advocates, New Delhi was placed before the meeting.

The Board was informed that the Trial, which commenced on 11th November, 2011 before the Ld. CBI Special Judge, O.P. Saini has closed its evidence as all the prosecution witnesses have deposed. The statement of accused under section 313 of CrPC has been recorded. The defence is leading its evidence. Approximately 30 defence witnesses have been examined and the defence has closed its evidence.

In view of the Supreme Court order dated September 3, 2013, the Delhi High Court vide its order dated October 9, 2013 disposed of the Writ petitions filed by RTL and three executives against the Trial Courts’ order–on–charges and charges framed, without adjudication of merits. In view of said order passed by the Delhi High Court, RTL and three executives have filed petitions before

the Supreme Court against the order-on-charge and charges framed by the Trial Court. The Supreme Court has issued notice in these quashing petitions. These quashing petitions are likely to be listed before the Supreme Court for final hearing on 25th August, 2015.

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

18. To consider and approve unaudited consolidated financial results and standalone financial results for the quarter ended 30th June, 2015.

The Board was informed that in terms of Clause 41 of the Listing Agreement of the Stock Exchanges, the Company was required to approve and submit the Standalone and Consolidated Financial Results for the quarter ended 30th June, 2015 to the Stock Exchanges within 45 days from the end of quarter. In terms of Clause 41 of the Listing Agreement of the Stock Exchanges, the Company was also required to publish the same in the newspapers within 48 hours after the approval of the Board.

The Standalone and Consolidated unaudited Financial Results for the quarter ended 30th June, 2015 duly reviewed by the Audit Committee at their meeting held earlier on 14th August, 2015 were placed before the Board. The Board was informed that the unaudited consolidated financial Results were in respect of the Company and all its subsidiaries / Joint Ventures/ controlled companies had been prepared in accordance with the requirements of the Accounting Standards prescribed under Companies (Accounting Standards) Rules, 2006 and amended from time to time.

Prof. J. Ramachandran, Chairman of the Audit Committee informed that the unaudited Standalone Financial Results and the unaudited Consolidated Financial Results for the quarter ended 30th June, 2015 were duly considered and reviewed by the Audit Committee at its meeting held earlier in the day and the Audit Committee had recommended the Board to approve the same.

Detailed Presentation of the businesses of the Company, highlighting the performance of the Company for the quarter ended 30th June, 2015 and outlook of the Company was made by Shri Vinod Sawhny, CEO and other business CEO's to the Board.

The brief highlights of consolidated financial performance of the Company for the quarter ended 30th June, 2015 were as follows:

- Net profit at Rs.177 crore, up 34% from Rs.132 crore in Q1 previous year.
- Consolidated Revenue & EBITDA: RCOM Q1 revenue at Rs. 5,541 crore, up 0.3% from Rs. 5,523 crore in Q1 previous year. Q1 EBITDA at Rs.1,875 crore up 0.7% from Rs. 1,863 crore in Q1 previous year. EBITDA margin at 33.8% improved from 33.7% in Q1 previous year.
- India Operations Revenue & EBITDA: Q1 revenue at Rs. 4,791 crore, up 1.5% from Rs. 4,718 crore in Q1 previous year. EBITDA at Rs. 1,695 crore, up 0.1% from Rs.1,693 crore in Q1 previous year.
- Global Operations Revenue & EBITDA: Q1 Revenues at Rs.1117 crore, up by 4.1% from Rs.1,073 crore in Q1 previous year. Q1 EBIDTA at Rs.180 crore, up 6.0% from Rs.170 crore in Q1 previous year.

A certificate from Shri Prakash Shenoy, Company Secretary, Manager and Chief Executive Officer and Shri Manikantan Iyer, Chief Financial Officer of the Company, stating that the unaudited financial results of the Company for

the quarter ended 30th June, 2015 do not contain any false or misleading statement or figures and do not omit any material fact, which may make the statements or figures contained therein misleading, was also placed on table for confirmation of the Board.

The Board was informed that the Company has opted to publish consolidated financial results for the year 2015-16 in the newspapers.

Shri Manikantan Iyer, Chief Financial Officer placed a Management Representation letter dated 14th August, 2015 to be given to the Auditors for the quarter ended 30th June, 2015. He further stated that the Audit Committee has recommended the Management Representation letter for approval and issuance to the Auditors under the signature of Shri Manikantan Iyer, Chief Financial Officer or Shri Prakash Shenoy, Company Secretary. The Board discussed the contents of Management Representation letter and approved the same.

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

(a) Unaudited Standalone Financial Results of the Company.

“RESOLVED THAT pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges, the unaudited Stand alone Financial Results of the Company for the quarter ended 30th June, 2015, as per the statement placed before the meeting and as reviewed by the Audit Committee at their meeting held on 14th August, 2015 and as certified by Shri Prakash Shenoy, Chief Executive Officer and Shri Manikantan Iyer, Chief Financial Officer of the Company be and are hereby approved and that the same be signed by Shri Anil D. Ambani, Chairman and submitted to the Stock Exchanges, where the securities of the Company are listed.

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

(b) Unaudited Consolidated Financial Results of the Company.

“RESOLVED THAT pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges, the unaudited Consolidated Financial Results of the Company for the quarter ended 30th June, 2015, as per the statement placed before the meeting and as reviewed by the Audit Committee at their meeting held on 14th August, 2015, be and are hereby approved and that the same be signed by Shri Anil D. Ambani, Chairman and submitted to the Stock Exchanges, where the securities of the Company are listed.

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

19. To consider proposed majority stake sale in Reliance Infratel Limited.

The Board was informed that Reliance Infratel Limited (“RITL”) is engaged in the business of building, owning and operating tele communications Towers, Optic Fiber Cable and other related assets at designated sites and provides passive infrastructure to RCOM / RTL and other telecom operators in India. RITL is a subsidiary of the Company through Reliance Communications Infrastructure Limited. The Company, directly and indirectly, owns 95.74% equity and 4.26% equity is control by the foreign private equity fund

shareholders, being Soros, DA Capital, Fortress, HSBC, New Silk Route, Blackrock and Delta.

The Board was further informed that in order to reduce debt and de-leverage balance sheet of the Company, it is thought fit to divest majority stake in Tower Business of RITL and de merge Optic Fiber Business in to another company with a mirror image of the present shareholding in RITL. For the said purpose, the Company has appointed following three investment bankers as advisors.

- a. UBS Securities India Private Limited,
- b. Standard Chartered Bank, and
- c. SBI Capital Markets Limited.

It was also informed that the Company has signed Non Disclosure Agreements with following nine potential bidders and have provided them teaser document.

- a. Tillman Global Holdings LLC, New York.
- b. Carlyle Asia Investment Advisors Limited, Hong Kong.
- c. American Tower International, INC, USA.
- d. Edotco Group SDN BHD, Malaysia.
- e. Apax Partners India Advisers Private Limited, India.
- f. Farallon Capital Asia Pte Limited, Singapore.
- g. IHS Holding Limited, Mauritius.
- h. Bharti Infratel Limited, India.
- i. Blackstone Singapore Pte. Limited, Singapore.

The Board was further informed that the initial response from these potential bidders is quite encouraging. The Company has so far received indicative bids with enterprise value upto Rs.27,000 crore. In addition to the interest in Tower Business, some of the bidders have also indicated that they are willing to buy 100% stake of RITL, i.e. including Optic Fiber Business.

The Board was further informed that to facilitate the early conclusion process, RITL has withdrawn the Scheme of merger with RCIL from the Mumbai High Court. The Company is in dialog with RITL PE investors to ensure smooth process. It has been decided that they will have an option either to sell their full stake at the agreed valuation or to continue with the company. They seem to be inclined to go as per the decision of the Company. It is expected that the entire process of stake sale of RITL and de merge Optic Fiber Business into another company will be completed before 31st March, 2016.

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

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

The meeting concluded at 5.25 p.m.

Chairman

Entered on : 01.09.2015
Signed on :