Reliance Communications Limited
Dhirubhai Ambani Knowledge City
Navi Mumbai - 400 710, India

Tel : +91 22 3037 3333
+91 22 3038 6286
Fax : +91 22 3037 6622
www.rcom.co.in

Date: March 24, 2017

To,

The Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code: 532712

The Assistant Vice President
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot no.C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

NSE Scrip Symbol: RCOM

Dear Sir,

We wish to inform that a National Company Law Tribunal (Tribunal) Convened Meeting of the Equity Shareholders is scheduled to be held on Monday, April 24, 2017 at 9.30 A.M. at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai – 400 065, to consider and approve the arrangement embodied in the Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("the Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or "DWL") and Deccan Digital Networks Private Limited ("the Transferor Company 1" or "Deccan") and South Asia Communications Private Limited ("the Transferor Company 2" or "SACPL") and their respective shareholders and creditors (**'Scheme'**).

Further, the Company has provided remote e-voting and postal ballot facility to its members. The remote e-voting and postal ballot will commences on March 25, 2017 (at 9:00 A.M. IST) and ends on April 23, 2017 (at 5:00 P.M. IST).

We are enclosing herewith a copy of the Notice of Tribunal Convened Meeting of the Equity Shareholders of the Company alongwith Remote e-voting and Postal Ballot forms.

You are requested kindly to take note of the same and inform your members accordingly.

For **Reliance Communications Limited**

Prakash Shenoy
Company Secretary

Encl: As above.

RELIANCE

Communications

Reliance Communications Limited

CIN - L45309MH2004PLC147531

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
Tel - 022-30386286, Fax - 022-30376622, Website: www.rcom.co.in
Email: RCom.Investors@relianceada.com

NOTICE OF TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day	:	Monday
Date	:	April 24, 2017
Time	:	9.30 A.M. IST
Venue	:	Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai – 400065

POSTAL BALLOT		
Commencing on	:	Saturday, March 25, 2017 at 9.00 A.M. IST
Ending on	:	Sunday, April 23, 2017 at 5.00 P.M. IST

E-VOTING		
Commencing on	:	Saturday, March 25, 2017 at 9.00 A.M. IST
Ending on	:	Sunday, April 23, 2017 at 5.00 P.M. IST

INDEX

Sr. No	Particulars	Page No.
1	Notice of the Meeting of the Equity Shareholders of Reliance Communications Limited convened by order of the Hon'ble National Company Law Tribunal	2
2	Explanatory statement under Section 230 read with Section 102 of the Companies Act, 2013	6
3	Composite Scheme of Arrangement	41
4	Valuation Reports issued by M/s. S.R. Batliboi & Co. LLP	94
5	Fairness Opinion issued by M/s. Keynote Corporate Services Limited	115
6	Reports adopted by Board of Directors of the Company, Reliance Telecom Limited, Aircel Limited, Dishnet Wireless Limited, Deccan Digital Networks Private Limited and South Asia Communications Private Limited explaining the effect of the Scheme on each of shareholders, key managerial personnel, promoters and non-promoter shareholders	125
7	Supplementary Accounting statements of the Company, Reliance Telecom Limited, Aircel Limited, Dishnet Wireless Limited, Deccan Digital Networks Private Limited and South Asia Communications Private Limited	135
8	Complaints Reports submitted by the Company to National Stock Exchange of India Limited and BSE Limited	184
9	Observation Letters issued by National Stock Exchange of India Limited and BSE Limited to the Company conveying their no-objection to the Scheme	186
10	Proxy Form	189
11	Attendance Slip	191
12	Map of the Venue of the Meeting	192
13	Postal Ballot Form with instruction (in loose leaf form)	-
14	E-voting letter (in loose leaf form)	-

Before the National Company Law Tribunal, Mumbai Bench

Company Scheme Application No. 264 of 2017

In the matter of the Companies Act, 2013; (18 of 2013)

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956

AND

In the matter of Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1") and Reliance Telecom Limited ("the Demerged Company 2") and Aircel Limited ("Resulting Company 1" or "Transferee Company") and Dishnet Wireless Limited ("Resulting Company 2") and Deccan Digital Networks Private Limited ("the Transferor Company 1") and South Asia Communications Private Limited ("the Transferor Company 2") and their respective Shareholders and Creditors

RELIANCE COMMUNICATIONS LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.

)
)
)
)
)……..Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF RELIANCE COMMUNICATIONS LIMITED, THE APPLICANT COMPANY ("MEETING")

To,

The Equity Shareholder(s) of Reliance Communications Limited

("the Applicant Company" or "the Company" or "the Demerged Company 1" or "RCom")

Notice is hereby given that by an order dated March 15, 2017, in the abovementioned Company Scheme Application No. 264 of 2017, the Mumbai Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the Equity Shareholders of the Company, for the purpose of considering, and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement between Reliance Communications Limited and Reliance Telecom Limited ("the Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("the Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("the Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Applicant Company will be held to transact the following special business at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai – 400065 on April 24, 2017 at 9.30 a.m. IST at which time and place, the said Equity Shareholders of the Applicant Company are requested to attend, to consider and, if thought fit, approve with or without modification(s),

the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority :

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Companies Act") and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval by the requisite majority of the shareholders and / or the creditors of the Company, if any, and as directed by the National Company Law Tribunal, and further subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary approval of the Equity Shareholders be and is hereby accorded to Composite Scheme of Arrangement among the Company, Reliance Telecom Limited, Aircel Limited, Dishnet Wireless Limited, Deccan Digital Networks Private Limited and South Asia Communications Private Limited and their respective shareholders and creditors ("Scheme"), as attached to the notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the National Company Law Tribunal, Mumbai Bench and/or any other authority(ies) while sanctioning the Arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip, Postal Ballot Form and e-voting form are enclosed herewith. Copies of the Scheme and statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company.

The Tribunal has appointed Mr. R. N. Bhardwaj failing whom Mr. A. K. Purwar, Directors of the applicant Company, failing whom Ms. Chhaya Virani as the Chairperson of the said meeting. The abovementioned Scheme, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, not later than 48 hours before the meeting. Forms of proxy can be had at the registered office of the Applicant Company.

In accordance with the applicable regulatory provisions, as an alternative to casting of votes on Poll at the meeting, the Company has provided the Equity Shareholders with the facility for casting their votes either by way of Postal Ballot or by way of remote e-voting using facility offered by M/s. Karvy Computershare Private Limited ("Karvy"). The voting rights of Equity Shareholders shall be in proportion to their Equity Shareholding in the Company as on the Cut-off date of close of business on Friday, March 17, 2017. The shareholders may refer to Notes to this notice for further details on Postal Ballot and remote E-voting.

It is clarified that casting of votes by postal ballot or remote e-voting does not disentitle a Shareholder as on the Cut-off date of March 17, 2017 from attending the Meeting. It is further clarified that the Proxies can only vote on Poll at the meeting and not through any other mode.

R. N. Bhardwaj

Chairperson appointed for the meeting

Place: Mumbai
Date : March 17, 2017

Registered Office:
Reliance Communications Limited,
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Navi Mumbai 400 710
CIN - L45309MH2004PLC147531

Notes:

(1) This Notice is being sent to the Equity Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business on March 3, 2017 in physical mode to all the shareholders at their registered address. This Notice may also be accessed on Company's Website www.rcom.co.in.

(2) An Equity Shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The Proxy Form duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and / or holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

(3) Only registered equity shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under Section 112 and 113 of the Companies Act, 2013) at the Equity Shareholder's meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Company may attend and vote at the meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the Company not later than 48 hours before the meeting authorising such representative to attend and vote at the equity shareholders' meeting.

(4) Foreign Institutional Investors (FIIs) who are registered equity shareholders of the Company would be required to deposit certified copies of Custodial Resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

(5) Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote.

(6) All alterations made in the proxy form should be initialled.

(7) Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with Applicant Company for admission to the meeting hall.

(8) In compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), the Company has also provided the facility to the Shareholders to cast their votes either by way of Postal Ballot or through remote e-voting facility arranged by Karvy, prior to the meeting.

(9) Shareholders whose names appears on the Register of Members / Record of Depositories as at the close of business on Friday, March 17, 2017 ("cut-off date") will be considered for the purpose of voting and the voting rights shall be reckoned based on the equity shareholding as on March 17, 2017. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date.

(10) The Voting period for Postal Ballot shall commence on and from Saturday, March 25, 2017 at 9.00 a.m. IST and end on Sunday, April 23, 2017 at 5.00 p.m. IST.

(11) The Voting period for remote e-voting shall commence on and from Saturday, March 25, 2017 at 9.00 a.m. IST and end on Sunday, April 23, 2017 at 5.00 p.m. IST.

(12) The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(13) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of postal ballot, remote e-voting as well as voting at the meeting. Any person who acquires shares of the Company and becomes the member of the Company after the cut-off date i.e. March 17, 2017 shall not be eligible to vote either through postal ballot, remote e-voting or at the Meeting. Any recipient of this notice who has no voting rights as on the cut-off date should treat the same as intimation only.

(14) Members who have acquired shares after the close of business on March 3, 2017 and before the cut-off date i.e. March 17, 2017, may approach the Company or Karvy for issuance of the User ID and Password for exercising their right to vote by remote e-voting or for issuance of Postal Ballot.

(15) Member(s) can opt only one mode of voting. If a Member has opted for e-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case Members cast their vote both via Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.

(16) It is clarified that votes may be cast by Shareholders either by Postal Ballot or e-voting and casting of votes by Postal Ballot or remote e-voting does not disentitle them from attending the Meeting. Shareholder after exercising his right to vote through Postal Ballot or e-voting shall not be allowed to vote on Poll again at the Meeting.

(17) The facility for voting through ballot or polling paper shall be available at the Meeting and the members attending the meeting who have not already cast their vote by Postal Ballot or remote e-voting shall be able to exercise their right at the meeting.

(18) Shareholders desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed to the Scrutinizer so as to reach not later than 5.00 P.M. IST on Sunday, April 23, 2017 at the registered office of the Company.

(19) As directed by Hon'ble Tribunal, Mr. Anil Lohia, Partner at M/s. Dayal & Lohia, Chartered Accountants or in his absence Mr. Rinkit Kiran Uchat, Partner at M/s. Dayal & Lohia, Chartered Accountants shall act as Scrutinizer to scrutinize votes cast either electronically or on Postal Ballot or on Poll at the Meeting and submitting a report on votes cast to the Chairperson of the Meeting within 48 hours from the conclusion of the meeting.

(20) The result of the voting shall be announced by the Chairperson, upon receipt of Scrutinizer's report and the same shall be placed on the Company's website www.rcom.co.in and on the website of https://evoting.karvy.com within two days of the passing of the resolution at the Meeting on April 24, 2017 and communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

(21) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Applicant Company up to 1 (one) day prior to the date of the meeting between 11:00 A.M. IST and 2:00 P.M. IST on all working days, except Saturdays, Sundays and Public Holidays.

(22) The Members shall refer to detailed procedure on remote e-voting and postal ballot given in the remote e-voting instruction slip and postal ballot form.

Before the National Company Law Tribunal, Mumbai Bench

Company Scheme Application No. 264 of 2017

In the matter of the Companies Act, 2013; (18 of 2013)

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956

AND

In the matter of Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1") and Reliance Telecom Limited ("the Demerged Company 2") and Aircel Limited ("Resulting Company 1" or "Transferee Company") and Dishnet Wireless Limited ("Resulting Company 2") and Deccan Digital Networks Private Limited ("the Transferor Company 1") and South Asia Communications Private Limited ("the Transferor Company 2") and their respective Shareholders and Creditors

RELIANCE COMMUNICATIONS LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710.

)
)
)
)
)……..Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF RELIANCE COMMUNICATIONS LIMITED DIRECTED TO BE CONVENED BY MUMBAI BENCH OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL

Details of the Companies or Parties involved in the Scheme:

1. **Reliance Communications Limited-** referred to as "the Applicant Company" "the Company" or "the Demerged Company 1" or " RCom";
2. **Reliance Telecom Limited-** referred to as "the Demerged Company 2" or " RTL";
3. **Aircel Limited-** referred to as "Resulting Company 1" or "Transferee Company" or " AL";
4. **Dishnet Wireless Limited-** referred to as "Resulting Company 2" or " DWL";
5. **Deccan Digital Networks Private Limited-** referred to as "the Transferor Company 1" or " Deccan"; and
6. **South Asia Communications Private Limited-** referred to as "the Transferor Company 2" or "SACPL".

The Composite Scheme of Arrangement between the above Companies and their respective shareholders and creditors is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Applicant Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company.

2. Pursuant to an order dated March 15, 2017 passed by the Mumbai Bench of the National Company Law Tribunal ("Tribunal") in the Company Scheme Application No. 264 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of the Company is being convened and held at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opp. SEEPZ, North Gate No.3, Aarey Colony, Aarey Colony Road, Mumbai - 400065 on April 24, 2017 at 9.30 A.M. IST. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the composite scheme of arrangement between Reliance Communications Limited ("the Applicant Company" or "the Company" or "the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("the Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("the Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("the Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

3. In addition to the Tribunal Convened Meeting of the Equity Shareholders of the Applicant Company, approval of the Equity Shareholders of the Applicant Company is also sought by way of Postal Ballot and remote e-Voting facility arranged by Karvy in compliance with Section 108 and Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').

4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement has been approved by the Board of Directors of the Applicant Companies at their respective board meetings held on 14th September, 2016, is attached to this Explanatory Statement and forms part of this Statement.

5. **Details of the Companies:**

5.1 **Reliance Communications Limited**

(a) Reliance Communications Limited ("the Applicant Company" "the Company" or "the Demerged Company 1" or "RCom"), a Public Limited Company, having Corporate Identification Number L45309MH2004PLC147531, was incorporated under the provisions of the Companies Act, 1956 in Mumbai, the State of Maharashtra on 15th day of July, 2004 under the Companies Act, 1956 under the name of "Reliance Infrastructure Developers Private Limited". With effect from 25th day of July, 2005, the Company was converted into a public limited company and the word "Private" was deleted from the name of the Company. Subsequently the name of Reliance Infrastructure Developers Limited was changed to "Reliance Communication Ventures Limited" with effect from 3rd day of August, 2005 and further the name was changed to its present name i.e. "Reliance Communications Limited" with effect from 7th day of June, 2006. Permanent Account Number of RCom is AACCR7832C.

(b) The registered office of RCom is situated at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710 and e-mail address is RCom.Investors@relianceada.com.

(c) The objects for which RCom has been established are set out in its Memorandum of Association. The main objects of RCom are set out hereunder:

1) To carry on and undertake the business of finance, investment, loan and guarantee company and to invest in acquire, subscribe, purchase, hold, sell, divest or otherwise deal in securities, shares, stocks, equity linked securities, debentures, debenture stock, bonds, commercial papers, acknowledgements, deposits, notes, obligations, futures, calls, derivatives, currencies and securities of any kind whatsoever, whether issued or guaranteed by any person, company, firm, body, trust, entity, government, state, dominion sovereign, ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, whether in India or abroad. The Company will not carry on any activity as per Section 45 1A of RBI Act, 1934.

2) *To carry on and undertake the business of financial services like financial restructuring / reorganization, investment counseling, portfolio management and all activities and facilities of every description including all those capable of being provided by bankers, stockbrokers, merchant-bankers, investment bankers, portfolio managers, trustees, agents, advisors, consultants, providing other financial or related services and to carry on the activities of hire-purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment and to assist in financing of all and every kind and description of hire- purchase or deferred payment or similar transactions and to subsidize, finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of movable property including plant and machinery, equipments, ships, aircrafts, automobiles, computers, and all consumer, commercial, medical and industrial items with or without security and to lease or otherwise deal with them including resale thereof, regardless of whether the property purchased and leased is new and/or used and from India or abroad.*

3) *To carry on and undertake the business of acting as agent of any person, public or private sector enterprises, financial institutions, banks, central government and state governments and to do financial research, design and preparation of feasibility study reports, project reports and appraisal report in India and abroad.*

4) *To carry on, manage, supervise and control the business of Telecommunication, infrastructure, Telecommunication system, Telecommunication network, and Telecommunication services of all kinds including and not limited to setting up telephone exchange, coaxial stations, Telecommunication lines and cables of every form and description, transmission, emission, reception through various forms, maintaining and operating all types of Telecommunication service and providing data programmes and data bases for Telecommunication."*

(d) RCom is engaged in the business of provision of telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data center services.

(e) There has been no change in the name, registered office and objects of RCom during the last five years.

(f) The equity shares of RCom are listed on the National Stock Exchange of India Limited and BSE Limited. Its global depository receipts are listed on the Luxembourg Stock Exchange.

(g) Capital Structure - The authorized, issued, subscribed and paid-up share capital of RCom as on 30th September, 2016 is as under:

Particulars	**Amount in Rs.**
Authorised Capital	
5,000,000,000 Equity Shares of Rs. 5 each	25,000,000,000
Total	**25,000,000,000**
Issued, Subscribed and Paid-up Capital	
2,488,979,745 Equity Shares of Rs. 5 each fully paid up	12,444,898,725
Total	**12,444,898,725**

The issued and paid-up share capital includes 1,03,55,247 (One Crore three lacs fifty five thousand two hundred forty seven) equity shares represented by the global depository receipts as on 30th September, 2016. Subsequent to 30th September, 2016, there has been no change in the issued, subscribed and paid up share capital of RCom.

(h) The details of the promoters and present directors of RCom along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1.	Reliance Communications Enterprises Private Limited	502, Plot No. 91/94 Prabhat Colony Santacruz (East) Mumbai 400055
2.	Reliance Wind Turbine Installators Industries Private Limited	502, Plot No. 91/94 Prabhat Colony Santacruz (East) Mumbai 400055
3.	Reliance Ornatus Enterprises and Ventures Private Limited	502, Plot No. 91/94 Prabhat Colony Santacruz (East) Mumbai 400055
4.	Reliance Innoventures Private Limited	502, Plot No. 91/94 Prabhat Colony Santacruz (East) Mumbai 400055
5.	Reliance Telecom Infrainvest Private Limited	502, Plot No. 91/94 Prabhat Colony Santacruz (East) Mumbai 400055
6.	Shreeji Comtrade LLP	1203-06, Arcadia 195 Backbay Reclamation Nariman Point, Mumbai 400021
7.	Shrikrishna Tradecom LLP	1203-06, Arcadia 195 Backbay Reclamation Nariman Point, Mumbai 400021
8.	Mr. Anil D Ambani	Seawind 39, Cuffe Parade, Opposite President Hotel, Mumbai 400005
9.	Mr. Jai Anmol A. Ambani	Seawind 39, Cuffe Parade, Opposite President Hotel, Mumbai 400005
10.	Mr. Jai Anshul A Ambani	Seawind 39, Cuffe Parade, Opposite President Hotel, Mumbai 400005
11.	Mrs. Kokila Dhirajlal Ambani	Seawind 39, Cuffe Parade, Opposite President Hotel, Mumbai 400005
12.	Mrs. Tina A Ambani	Seawind 39, Cuffe Parade, Opposite President Hotel, Mumbai 400005
13.	Reliance Capital Limited	570, Rectifier House, Naigaum Cross Road, Next To Royal Indl. Estate, Wadala (W), Mumbai 400031
Directors		
1.	Mr. Anil D. Ambani	Seawind 39, Cuffe Parade, Opposite President Hotel, Mumbai 400005
2.	Mr. Deepak Shourie	A-31, West End, New Delhi 110021
3.	Prof. J. Ramachandran	417, Faculty Quarters, Indian Institute of Management, Bannerghatta, Bangalore 560076
4.	Mr. A. K. Purwar	C - 2303/4, Floor 23, Ashok Tower, 63/7-4, Dr. SS Rao Road, Parel, Mumbai 400012
5.	Mr. R. N. Bhardwaj	402, Moksh Apartments Upper Govind Nagar, Malad (East), Mumbai 400097
6.	Mrs. Manjari Kacker	B-702, Beaumonde, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400025

5.2 **Reliance Telecom Limited**

(a) Reliance Telecom Limited ("the Demerged Company 2" or " RTL"), a Public Limited Company, having Corporate Identification Number U32100MH1994PLC162841, was incorporated under the provisions of the Companies Act, 1956 in Mumbai, the State of Maharashtra on 1st day of March, 1994 under the name "Reliance Telecom Private Limited". With effect from 25th day of November, 1997, the name of RTL was changed to "Reliance Telecom Limited". Permanent Account Number of RTL is AAACR2658E.

(b) The registered office of RTL is situated at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710 and e-mail address is Rcom.Investors@relianceada.com.

(c) The objects for which RTL has been established are set out in its Memorandum of Association. The main objects of RTL are set out hereunder :

1. *To carry on all kinds of businesses of designers, manufacturers, processors, assemblers, dealers, traders, distributors, importers, exporters, agents consultants, system designers and contractors for erection and commissioning on turnkey basis or to deal in any other manner including storing, packing, transporting, converting, repairing, installing, training, servicing, maintenance of all types, varieties and kinds of (i) telephone instruments, inter-coms, accessories and components thereof for tele-communications, (ii) radio communication equipments like receivers, transmitters, trans-receivers, walkie talkie radio relay equipment, point to point communication equipments, antennas and associated equipment, single channel, multi-channel, fixex frequency, variable frequency, static, mobile, airborne, shipborne, equipments in HF, VHF, UHF and microwave, spectrum, TV Systems, receivers, transmitters, pattern generators and associated equipments. amplifiers, oscillators synthesizers, waveform generating, measuring and associated equipments, sonic, ultrasonic and radio frequency ranging and depth finding sonar and Telemetry coding and data transmission equipment, data acquisition, processing and logging equipments, calculators, computers, mini computers and micro-computers, printers, headers, display terminals, facsimile transmitting and receiving equipments and systems (iii) signaling, Telecommunication and control equipments used in roads, railways, ships, aircrafts, ports, airports, railway stations, public places alongwith associated accessories and test rigs (iv) instruments, testing equipments, accessories for repair, maintenance, calibration and standardization of all the above items in laboratories, service centres, processing plants, manufacturing plants and at customers places.*

2. *To plan, establish, develop, provide, operate and maintain all types of Telecommunication services including, telephone, telex, wireless, data communication telematic and other like forms of communication and to manufacture wireless transmitting and receiving equipments, including radios, television equipments, broadcasting equipments, microphones, amplifiers, loud speakers & telegraphic instruments and equipments and purchase, sell, import, export, repair, renew and deal in all or any of the equipments and parts of the same and also to manufacture the parts and accessories of the said instruments and articles."*

(d) RTL is engaged in the business of provision of telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data center services.

(e) There has been no change in the name, registered office and objects of RTL during the last five years.

(f) The equity and preference shares of RTL are not listed on any Stock Exchange in India or elsewhere.

(g) Capital Structure - The authorized, issued, subscribed and paid-up share capital of RTL as on 30th September, 2016 is as under:

Particulars	Amount in Rs.
Authorised Capital	
120,000,000 equity shares of Rs. 10 each	1,200,000,000
100,000,000 preference shares of Rs. 10 each	1,000,000,000
280,000,000 unclassified shares of Rs. 10 each	2,800,000,000
Total	**5,000,000,000**
Issued, Subscribed and Paid-up	
85,000,000 equity shares of Rs. 10 each	850,000,000
45,000,000 non-convertible, non-cumulative, redeemable preference shares of Rs. 10 each fully paid	450,000,000
13,477,000 redeemable, non-cumulative, non-convertible preference shares of Rs. 10 each fully paid	134,770,000
Total	**1,434,770,000**

RTL is a wholly owned subsidiary of RCom. Subsequent to 30th September 2016, there has been no change in the issued, subscribed and paid up share capital of RTL.

(h) The details of the promoters and present directors of RTL along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1	Reliance Communications Limited	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
2	Reliance Infocomm Infrastructure Limited	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
Directors		
1.	Mr. S. Seth	4th Floor, Summer Villa, 7th Road, Santa Cruz (East) Mumbai 400055
2.	Mr. Gautam Doshi	402, Hamilton Court, Tagore Road, Santa Cruz (West), Mumbai 400054
3.	Mr. Prakash Shenoy	1703, Florentina Lodha Paradise, Near Majiwade Flyover, Thane 400601
4.	Mr. Satyendra Sarupria	504-B, Dheeraj Kiran, Chincholi Bunder Road, Malad (West), Mumbai 400064
5.	Mr. Dagdulal Jain	A 4/10, 2nd Floor Runwal Nagar, Thane 400601
6.	Mrs. Grace Thomas	A-1103, Pride, Plot No.-1, Ustav Chowk, Sector-7, Kharghar, Navi Mumbai 410210

5.3 **Aircel Limited**

(a) Aircel Limited("Resulting Company 1" or "Transferee Company" or "AL"), a Public Limited Company, having Corporate Identification Number U32201MH1994PLC284030, was incorporated under the provisions of the Companies Act, 1956 in Tamil Nadu on 20th day of December, 1994 under the name "Srinivas Cellcom Limited". With effect from 28th day of October, 1999, the name of AL was changed to "Aircel Limited". Permanent Account Number of AL is AAACS4449J.

(b) The registered office of AL is situated at Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai- 400093 and e-mail address is corporate.al@aircel.co.in.

(c) The objects for which AL has been established are set out in its Memorandum of Association. The main objects of AL are set out hereunder :

1. *To carry on all or any of the business of manufacturers, designers, consultants, exporters, importers, buyers, sellers, hirers, renters, repairers, distributors, agents and dealers in all types of telecommunication instruments including wireless telephones, cellular mobiles phones and services, satellite commercial equipment like V-Sat, microwave communication, paging, hand held terminals, telephone systems, electronic switches and exchanges, antennas, satellite dishes, radios, devices, accessories, appliances, materials and requisites, of every kind whereby sound or vision is recorded, amplified, produced, reproduced, transmitted or received by the use of aid of electricity.*

2. *To carry on the business of electrical, telecommunications, computer, radio electronics, consulting engineers, mechanics, fitters, mill-wrights, founders, rod millers, machinists, tool makers, wire drawers, galvanisers, Japanese, electroplaters, enamellers and painters, suppliers of telephone, telegraph, radio, railway, signaling and facsimile equipment and apparatus, electric, magnetic, galvanic and other apparatus in India or any part of the world.*

3. *To manufacture, buy, sell, exchange, and/or install dry cell, relays, meters, lamps, condensers, valves, rectifiers, air-raid precaution equipment plastics, plasticines, resins, bitumen, Indian - Rubber or any other water-proofing materials and paper.*

4. *To manufacture, install, operate and maintain telegraphs, phonographs, switching, centers, radio transmitting or receiving stations or sets, dynamos, accumulators and an apparatus in connection with the generation , accumulation, distribution, supply and employment of electricity or any power that can be used as a substitute therefor, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus and including the formation of exchanges or centres.*

5. *To Carry on the business as National Long Distance (NLD) Telephony provider, International Long Distance (ILD) Telephony provider, Internet Service Provider which includes providing Electronic Mail Service, Internet, Facsimile Services, Websites creation, Mobile location services, Designing, Selling, leasing and marketing of Web sites, Product promotion for in house as well as for clients, linking Web Server to World Wide Web (WWW) through Satellite, transferring, downloading or uplinking of Software Commercial Information, Voice and Data, Usage of Integrated Services Digital Network (ISDN), Broadband Wireless Data Services, Digital Subscriber Line (DSL) Technology based services, provision of cable television services, Direct To Home (DTH) services through deployment of GSM, CDMA, GPRS, EDGE and such other emerging technologies and related technologies.*

   The Company shall obtain suitable licenses for these purposes from the LICENSOR or LICENSING AUTHORITY of the Government(s) including Department of Telecommunications (DoT) and/or such other departments I ministries and/or other authorities of the Government(s) and enter into with such LICENSOR or LICENSING AUTHORITY appropriate license agreement(s) in line with the prevalent policies, as and when required. The Company shall ensure compliance with such licence agreement(s) without any violation. Any violation of the relevant licence agreement(s) shall automatically lead to the company being unable to carry on the respective business governed by such license(s)."

(d) AL is engaged in the business of provision of telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data center services.

(e) There has been no change in the name and objects of AL during the last five years. There had been change in the registered office of AL from state of Tamil Nadu to state of Maharashtra (Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai- 400093) w.e.f 27th June, 2016.

(f) The equity and preference shares of AL are not listed on any Stock Exchange in India or elsewhere.

(g) Capital Structure - The authorized, issued, subscribed and paid-up share capital of AL as on 30th September 2016 is as under:

Particulars	**Amount in Rs**
Authorised Capital	
5,000,000,000 equity shares of Rs. 10 each	50,000,000,000
15,000,000,000 redeemable cumulative non-convertible preference shares of Rs. 10 each	150,000,000,000
Total	**200,000,000,000**
Issued, Subscribed and Paid-up	
243,243,243 equity shares of Rs. 10 each	2,432,432,430
8,091,527,200 redeemable cumulative non-convertible preference shares of Rs. 10 each	80,915,272,000
Total	83,347,704,430

Subsequent to 30th September 2016, there has been no change in the issued, subscribed and paid up share capital of AL.

(h) The details of the promoters and present directors of AL along with their addresses are as follows:

Sr. No.	**Name**	**Address**
Promoters		
1.	Global Communication Services Holdings Ltd.	C/O Axis Fiduciary Ltd., 2nd Floor, The Axis, 26 Cybercity, Ebene, Mauritius 72201
2.	Deccan Digital Networks Pvt. Ltd	Opus Centre, 47, Central Road, Opposite Tunga Paradise, M.I.D.C., Andheri East, Mumbai 400093, Maharashtra
Directors		
1.	Ms. Suneeta Reddy	5, Subba Rao Avenue, Chennai 600006
2.	Mr. Bhaskara Nageswararao Mandavilli	Flat No. A 906, Purva Heights, 14, Bannerghatta Road, Bilekahalli, Bangalore 560076
3.	Mr. Vali Nijhawan	"Hari Ashray", DLF Phase III,W-6/1, Gurgaon 122001
4.	Mr. Umesh Jain	PNB Senior officer's Residential Complex, Block 60, Flat No. 23B,1st Floor, New Rohtak Road, Karol Bagh, New Delhi 110005
5.	Mr. Uthaya Kumar	No.17, Lorong Batai Barat, 50490, Kuala Lumpur, Malaysia
6.	Mr. Anand Swarup Pathak	A-17, Anand Niketan, Pathak New Delhi 110021
7.	Dr. Balasubrahmanyam Venkataraman	Flat No.102, Tower -4,Vipul Belmonte, Golf Course Road, Sector-53, Gurgaon 122009
8.	Mr. Sheo Nandan Sahai	H-23/21, DLF Phase I, Near Qutab Plaza, Gurgaon 122002

5.4 **Dishnet Wireless Limited**

(a) Dishnet Wireless Limited ("Resulting Company 2" or " DWL"), a Public Limited Company, having Corporate Identification Number U74999MH1998PLC283931, was incorporated under the provisions of the Companies Act, 1956 in Tamil Nadu on 10th day of March, 1998 under the name "Dishnet Limited". Further, the name was changed to "Dishnet DSL Limited" on 3rd day of November, 1999. Further, the name was changed to "Dishnetdsl Limited" on 30th day of November, 1999. Subsequently, the name was changed to "Dishnet Wireless Limited" on 2nd day of June, 2004. Permanent Account Number of DWL is AAACD5767E.

(b) The registered office of DWL is situated at Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai 400093 and e-mail address is corporate.dwl@aircel.co.in.

(c) The objects for which DWL has been established are set out in its Memorandum of Association. The main objects of DWL are set out hereunder :

1. *To carry on the business of Internet Service Providers, through different or combination of emerging/ related and subsisting technologies including but not limited to satellite, transferring, downloading or uplinking of software, commercial information, voice and data, usage of Integral Service Digital Network (ISDN), Asymmetric Digital Subscriber Line (ADSL), Internet Telephony, Broadband Wireless and W-LAN like Wi-fi Wi-.MAX, EV-DO and EV-DV and Video Conferencing, directly or through any network whether within India and or abroad. The Business shall include providing Electronic Mail Service, Internet, web site creation, designing, selling, leasing and marketing of Web Sites, product promotion and linking web server to World Wide Web (www). To carry on all activities directly or indirectly related to Internet and Electronic Commerce right from conception to transition/implementation and to act as a Total Solution Provider in Internet and E-Commerce business, including establishing cyber cafes.*

2. *To provide in India and abroad of all kinds of telecommunication infrastructure facilities & services including Cellular Mobile telephony, Basic Telephony, National Long Distance Telephony, International Long Distance Telephony, Radio paging, Trunk radio system, Cordless telephony, V-Sat Network, Cable television and Direct to Home (DTH) services through deployment of GSM, CDMA, GPRS, EDGE and such other emerging technologies.*

   The Company shall obtain suitable licenses for these purposes from the LICENSOR or LICENSING AUTHORITY of the Government(s) including Department of Telecommunications and/or such other departments/ministries and other authorities of the Government(s) and enter into with such LICENSOR or LICENSING AUTHORITY appropriate license agreement(s) in line with the prevalent policies, as and when required. The Company shall ensure compliance with such licence agreement(s) without any violation. Any violation of the relevant licence agreement(s) shall automatically lead to the company being unable to carry on the respective business governed by such license(s)"

3. *To undertake and provide turnkey telecom project management, Telecommuting, Business process outsourcing & Infrastructure sharing services. To carry on the business of trading, export, import, manufacturing, transmitting and otherwise deal in sale of bandwidth and all kinds of telecom equipment & accessories to other service providers or any other users as well as engage in captive consumption.*

4. *To undertake the designing and development of systems and applications software including telecommunication software and content based programs either for captive consumption or for sale in India or for export."*

(d) DWL is engaged in the business of provision of telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data center services.

(e) There has been no change in the name and objects of DWL during the last five years. There had been change in the registered office of DWL from state of Tamil Nadu to Mumbai, the State of Maharashtra (Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai 400093) w.e.f 27th June, 2016.

(f) The equity and preference shares of DWL are not listed on any Stock Exchange in India or elsewhere.

(g) Capital Structure - The authorized, issued, subscribed and paid-up share capital of DWL as on 30th September 2016 is as under:

Particulars	**Amount in Rs.**
Authorised Capital	
75,000,000 equity shares of Rs. 10 each	750,000,000
2,000,000,000 redeemable cumulative non-convertible preference shares of Rs. 10 each	20,000,000,000
Total	**20,750,000,000**
Issued, Subscribed and Paid-up	
29,798,130 equity shares of Rs. 10 each	297,981,300
1,608,817,590 redeemable cumulative non-convertible preference shares of Rs. 10 each	16,088,175,900
Total	**16,386,157,200**

DWL is a wholly owned subsidiary of AL. Subsequent to 30th September 2016, there has been no change in the issued, subscribed and paid up share capital of DWL.

(h) The details of the promoters and present directors of DWL along with their addresses are as follows:

Sr. No.	**Name**	**Address**
Promoters		
1	Aircel Limited	Opus Centre, 47, Central Road, Opposite Tunga Paradise, M.I.D.C., Andheri (E), Mumbai 400093
Directors		
1.	Ms. Suneeta Reddy	5, Subba Rao Avenue, Chennai 600006
2.	Mr. Vali Nijhawan	"Hari Ashray", DLF Phase III,W-6/1, Gurgaon 122001
3.	Mr. Umesh Jain	PNB Senior officer's Residential Complex, Block 60, Flat No. 23B, 1st Floor, New Rohtak Road, Karol Bagh, New Delhi 110005
4.	Mr. Uthaya Kumar	No.17, Lorong Batai Barat, 50490, Kuala Lumpur Malaysia
5.	Mr. Anand Swarup Pathak	A-17, Anand Niketan, New Delhi 110021
6.	Dr. Balasubrahmanyam Venkataraman	Flat No.102, Tower -4, Vipul Belmonte, Golf Course Road, Sector-53, Gurgaon 122009
7.	Mr. Sheo Nandan Sahai	H-23/21, DLF Phase I, Near Qutab Plaza, Gurgaon 122002

5.5 **Deccan Digital Networks Private Limited**

(a) Deccan Digital Networks Private Limited, ("the Transferor Company 1" or "Deccan") a Private Limited Company, having Corporate Identification Number U64202MH2006PTC288655, was incorporated under the provisions of the Companies Act, 1956 in New Delhi on 16th day of January, 2006 under the name "Deccan Digital Networks Private Limited". Permanent Account Number of Deccan is AACCD3470C.

(b) The registered office of Deccan is situated at Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai 400093 and e-mail address is cflai@maxis.com.my

(c) The objects for which Deccan has been established are set out in its Memorandum of Association. The main objects of Deccan are set out hereunder :

1. *To engage in the business of Telecommunications Service, cellular mobile telephone service, unified access services either by promoting in India or elsewhere companies or body corporates engaged in the business of Telecommunications Service cellular mobile telephone service, unified access services in all forms and also to provide pre start-up, start-up and post start-up services, advice, consultancy in making business plans, identifying and sourcing locations for new and existing businesses.*

2. *To carry on the business of Telecommunications Service, cellular mobile telephone service, unified access services, manufacturers, franchisers, dealers, importers, exporters, assemblers and fabricators, repairers, maintainers, owners and operators of all kinds of telecommunication equipment and cryptographic equipment, including terminal equipment, exchange equipment subscriber end equipment, transmission lines and equipment of all kinds, used to provide voice, text, data or image communications services, including but not limited to telephone instruments of all kinds, switching exchanges of all kinds such as public switching exchanges, private exchanges, mobile switching exchanges, radio transmitting and receiving apparatus, commercial radio receivers, high power radio telephone telegraph transmitters for radio links, medium, long and short wave radio broadcasting transmitters for radio links, medium, long and short wave radio broadcasting transmitters and receivers, multichannel radio links, wireless, cellular, mobile telephone and microwave telecommunication systems, network systems and products, assemblies and apparatus modules and hardware and software relating thereto, including data processing units, printers, display devices, computer keys boards and key pads, digitizers, encoders, storage units, optica1 readers compact disc and microfiche readers, video terminals and display units, computers and computer terminals, radar and satellite communications equipment, teleprinters, digital telemetering telecontrol systems, video terminals, computers, other sub-systems, components and parts thereof including basic components such as valves, transistors, condensers, coils-magnetic materials, microwave components, capacitors, integrated circuits, diodes, registers, electronic control instruments, plastic, PVS and resin components, electrical wires, cables, lugs, switches and electrical and wireless sets, magnetic materials and microwave components and to own, hire or take on lease, hire out or provide on lease communications and information services and any equipment required for such services whether for providing voice, text, data, or image services, including carriers for such purposes including cables and networks whether optical or electrical microwave or satellite linkages or any other medium that may be used for such purposes, to provide consultancy services in relation to these activities mentioned therein.*

3. *To carry on in India or elsewhere any of the business in the field of Internet Service providers, Telecommunications, to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T.V, on line Shopping, creation of Web sites and Web based solutions, CGI Interface, FTP Access, Usenet and Telnet, Internet Relay Chat, Domain name Registration and Routing, Computer Storage Space Solutions, To develop, design, conceptualize, improve, produce, reproduce, market, patent, distribute, buy, sell, license, provide, import, export, implement, operate, support and maintain Information Technology and Communication based products and services including those through the internet world wide computer network, voice data and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training, designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products and the development and marketing of software and all types of products and services relating to the computer industry.*

4. *To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the world wide*

computer networks and web services available and to obtain/offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell, market, distribute or deal in such products and services and acquire or rent computer/storage space on the worldwide web or similar networks for this purpose.

5. *To establish, promote, purchase, setup or connect with and/or lease any database, network, data and information possessing centers and bureaus either of its own or franchise centers for dissemination of knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronic media and digital media, internet, intranet, Modems, Fax modems, Video Conferencing, E-Mail, Voicemail, Voice Response Systems, Multiplexers, Line Drivers, Routers, Bridges, Hubs, VSAT's, Radio Trunking, Networking, Telecom Software, cable, Wireless Networks, ERP solutions and satellite communications.*

6. *Assisting in applying and obtaining various government and regulatory approvals and to provide management support services in relation to objects stated above."*

(d) Deccan is an investment holding company and does not have any other commercial activity.

(e) There has been no change in the name and objects of Deccan during the last five years. There had been change in the registered office of Deccan from New Delhi to Mumbai, State of Maharashtra (Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai 400093) w.e.f 29th November, 2016.

(f) The equity and preference shares of Deccan are not listed on any Stock Exchange in India or elsewhere.

(g) Capital Structure - The authorized, issued, subscribed and paid-up share capital of Deccan as on 30th September 2016 is as under:

Particulars	**Amount in Rs.**
Authorised Capital	
300,000,000 equity shares of Rs. 10 each	3,000,000,000
2,000,000,000 redeemable cumulative non-convertible preference shares of Rs. 10 each	20,000,000,000
Total	**23,000,000,000**
Issued, Subscribed and Paid-up	
46,000,000 equity shares of Rs. 10 each	460,000,000
1,644,594,517 redeemable cumulative non-convertible preference shares of Rs. 10 each	16,445,945,170
Total	**16,905,945,170**

Subsequent to 30th September 2016, there has been no change in the issued, subscribed and paid up share capital of Deccan.

(h) The details of the promoters and present directors of Deccan along with their addresses are as follows:

Sr. No.	**Name**	**Address**
Promoters		
1	Global Communication Services Holdings Ltd.	C/O Axis Fiduciary Ltd., 2ndFloor, The Axis, 26 Cybercity, Ebene, Mauritius 72201
2	Sindya Securities and Investments Private Limited	Fifth Floor, Lakshmi Bhawan No. 609, Mount Road, Chennai, Tamil Nadu 600006

Sr. No.	Name	Address
3	South Asia Communications Private Limited	Opus Centre, 47, Central Road, Opposite Tunga Paradise, MIDC, Andheri (East) Mumbai, Maharashtra 400093
Directors		
1.	Ms. Suneeta Reddy	No. 5, Subba Rao, Avenue - II Street Nungambakkam, Chennai 600006, Tamil Nadu
2.	Mr. Bommi Narasimhavijay Tarun Reddy	31/11, First Cross Street T.T.K. Road, Alwarpet Chennai 600018 Tamil Nadu
3.	Ms. Lai Choon Foong	7 Jalan Desa Baru 1B, Taman Desa Baru Kajang, Batu 12 Jalan Cheras, 43000 Kajang Selangor, Malaysia

5.6 **South Asia Communications Private Limited**

(a) South Asia Communications Private Limited, ("the Transferor Company 2" or " SACPL"), a private limited company, having Corporate Identification Number U72900MH2006PTC288606, was incorporated under the provisions of the Companies Act, 1956 in New Delhi on 16th day of February, 2006 under the name "South Asia Communications Private Limited". Permanent Account Number of SACPL is AALCS3267M.

(b) The registered office of SACPL is situated at Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai 400093 and e-mail address is oswalpunkaj@gmail.com.

(c) The objects for which SACPL has been established are set out in its Memorandum of Association. The main objects of SACPL are set out hereunder :

1. *To engage in the business of Telecommunications Service, cellular mobile telephone service, unified access services either by promoting in India or elsewhere companies or body corporates engaged in the business of Telecommunications Service cellular mobile telephone service, unified access services in all forms and also to provide pre start-up, start-up and post start-up services, advice, consultancy in making business plans, identifying and sourcing locations for new and existing businesses.*

2. *To carry on the business of Telecommunications Service cellular mobile telephone service, unified access services, manufacturers, franchisers, dealers, importers, exporters. assemblers and fabricators, repairers, maintainers, owners and operators of all kinds of telecommunication equipment and cryptographic equipment, including terminal equipment, exchange equipment subscriber end equipment, transmission lines and equipment of all kinds, used to provide voice, text, data or image communications services, including but not limited to telephone instruments of all kinds, switching exchanges of all kinds such as public switching exchanges. private exchanges, mobile switching exchanges, radio transmitting and receiving apparatus, commercial radio receivers, high power radio telephone telegraph transmitters for radio links, medium, long and short wave radio broadcasting transmitters for radio links, medium, long and short wave radio broadcasting transmitters and receivers,. multichannel radio links, wireless, cellular, mobile telephone and microwave telecommunication systems, network systems and products, assemblies and apparatus modules and hardware and software relating thereto, including data processing units, printers, display devices, computer keys boards and key pads, digitizers, encoders, storage units, optical readers compact disc and microfiche readers, video terminals and display units, computers and computer terminals, radar and satellite communications equipment, teleprinters, digital telemetering telecontrol systems, video terminals, computers, other sub-systems, components and parts thereof including basic components such as valves, transistors, condensers, coils-magnetic materials, microwave components, capacitors, integrated circuits, diodes, registers, electronic control instruments, plastic, PVS and resin components, electrical wires, cables, lugs, switches and electrical and wireless sets, magnetic materials and microwave components and to own, hire or take on lease, hire out or provide on lease communications and information services and any equipment required*

for such services whether for providing voice, text, data, or image services, including carriers for such purposes including cables and networks whether optical or electrical microwave or satellite linkages or any other medium that may be used for such purposes, to provide consultancy services in relation to these activities mention therein.

3. *To carry on in India or elsewhere any of the business in the field of Internet Service providers, Telecommunications, to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T. V, on line Shopping, creation of Web sites and Web based solutions, CGI Interface, FTP Access, Usenet and Telnet, Internet Relay Chat,Domain name Registration and Routing, Computer Storage Space Solutions, To develop, design, conceptualize, improve, produce, reproduce, market, patent, distribute, buy, sell, license, provide, import, export, implement, operate, support and maintain Information Technology and Communication based products and services including those through the internet worldwide computer network, voice data andimage transfer in any form including digital data packets, storage media such asfloppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training, designing, coding and integrating systems for intranet and internet solutions, and to develop, configure ,or deal m computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products and the development and marketing of software and all types of products and services relating to the computer industry.*

4. *To establish, promote, purchase, setup or connect with and/or lease any database, network, data and information possessing centers and bureaus either of its own or franchise centers for dissemination of knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronic media and digital media, internet, intranet, Modems, Fax modems, Video Conferencing, E-Mail, Voicemail, Voice Response Systems, Multiplexers, Line Drivers, Routers, Bridges, Hubs, VSAT's, Radio Trunking, Networking, Telecom Software, cable, Wireless Networks, ERP solutions and satellite communications.*

5. *Assisting in applying and obtaining various government and regulatory approvals and to provide management support services in relation to objects stated above."*

(d) SACPL is an investment holding company and does not have any other commercial activity.

(e) There has been no change in the name and objects of SACPL during the last five years. There had been change in the registered office of SACPL from New Delhi to Mumbai, the State of Maharshtra (Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (East), Mumbai 400093) w.e.f. 28th November, 2016.

(f) The equity and preference shares of SACPL are not listed on any Stock Exchange in India or elsewhere.

(g) Capital Structure - The authorized, issued, subscribed and paid-up share capital of SACPL as on 30th September 2016 is as under:

Particulars	**Amount in Rs.**
Authorised Capital	
300,000,000 equity shares of Rs. 10 each	3,000,000,000
2,000,000,000 redeemable cumulative non-convertible preference shares of Rs. 10 each	20,000,000,000
Total	**23,000,000,000**
Issued, Subscribed and Paid-up	
6,217,278 equity shares of Rs. 10 each	62,172,780
1,644,461,328 redeemable cumulative non-convertible preference shares of Rs. 10 each	16,444,613,280
Total	**16,506,786,060**

Subsequent to 30th September 2016, there has been no change in the issued, subscribed and paid up share capital of SACPL.

(h) The details of the promoters and present directors of SACPL along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1.	Global Communication Services Holdings Ltd.	C/O Axis Fiduciary Ltd., 2ndFloor, The Axis, 26 Cybercity, Ebene, Mauritius 72201
2.	Maxis Communications Berhad	Level 39, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia
Directors		
1.	Mr. Punkaj Jain	Flat No. 1202, Lucern Tower, Omaxe Forest Spa, Surajkund Road, Faridabad 121001, Haryana, India
2.	Mr. Uthaya Kumar	No. 17, Lorong Batai Barat, 50490, Kuala Lumpur, Malaysia
3.	Ms. Lai Choon Foong	7 Jalan Desa Baru 1B, Taman Desa Baru Kajang, Batu 12 Jalan Cheras, 43000 Kajang Selangor, Malaysia

6. Relationship subsisting between the Companies who are Parties to the Scheme

(i) RCom Group and Aircel Group are independent and unrelated groups.

(ii) RCom group consist of RCom and RTL whereas Aircel group consist of AL, DWL, Deccan and SACPL.

(iii) RTL is a wholly owned subsidiary of RCom.

(iv) Deccan holds 35% equity stake in AL and DWL is a wholly owned subsidiary of AL. SACPL and Deccan are promoter group entities.

7. At the meeting held on 14th September, 2016, based on the recommendations of the Audit Committee, the Board of Directors of RCom had unanimously approved the proposed Composite Scheme of Arrangement, after taking on record the Valuation reports dated 14th September, 2016 issued by M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, an independent valuer, and Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited, a SEBI registered Merchant Banker.

8. The said Composite Scheme of Arrangement was unanimously approved by all the Directors of RTL, AL, DWL, Deccan and SACPL vide resolutions passed at their respective Board Meetings held on 14th September, 2016.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

(i) RCom

Name of the Directors of RCom present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. Anil D. Ambani	Favour
Mr. Deepak Shourie	Favour
Prof. J. Ramachandran	Favour
Mr. A. K. Purwar	Favour
Mr. R. N. Bhardwaj	Favour
Mrs. Manjari Kacker	Favour

(ii) RTL

Name of the Directors of RTL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. S. Seth	Favour
Mr. Gautam Doshi	Favour
Mr. Prakash Shenoy	Favour
Mr. Satyendra Sarupria	Favour
Mr. Dagdulal Jain	Favour
Mrs. Grace Thomas	Favour

(iii) AL

Name of the Directors of AL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Ms. Suneeta Reddy	Favour
Mr. MBN Rao	Did not participate
Mr. Vali Nijhawan	Favour
Mr. Umesh Jain	Did not participate
Mr. Uthaya Kumar	Favour
Mr. Anand Swarup Pathak	Favour
Dr. B Venkataraman	Favour
Mr. Sheo Nandan Sahai	Favour

(iv) DWL

Name of the Directors of DWL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Ms. Suneeta Reddy	Favour
Mr. Vali Nijhawan	Favour
Mr. Umesh Jain	Did not participate
Mr. Uthaya Kumar	Favour
Mr. Anand Swarup Pathak	Favour
Dr. B Venkataraman	Favour
Mr. Sheo Nandan Sahai	Favour

(v) Deccan

Name of the Directors of Deccan present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Ms. Suneeta Reddy	Favour
Mr. Bommi Narasimhavijay Tarun Reddy	Not Attended
Ms. Lai Choon Foong	Favour

(vi) SACPL

Name of the Directors of SACPL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. Uthaya Kumar	Favour
Ms. Lai Choon Foong	Favour
Mr. Punkaj Jain	Favour

9. **Description of the Scheme**

The Scheme provides for:

(i) the demerger, transfer and vesting of the Demerged Undertakings from the Demerged Companies to the Resulting Companies on a going concern basis, and the consequent issue of shares by the Resulting Company 1 to the Demerged Company 1, in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of law;

(ii) the amalgamation of the Transferor Companies into the Transferee Company and the consequent issue of shares by the Transferee Company to the shareholders of the Transferor Companies, in the manner set out in the Scheme and in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of law;

(iii) the reorganisation and reduction of the share capital of the Resulting Company 1 by converting the Resulting Company 1 RPS into equity shares of the Resulting Company 1 and thereafter reducing the paid up share capital of the Resulting Company 1 in the manner set out in the Scheme and in accordance with Sections 230 to 232 of the Companies Act, 2013;

(iv) the conversion of the Resulting Company 1 Shareholder Loans into equity shares of the Resulting Company 1 and thereafter reducing the paid up share capital of the Resulting Company 1 in the manner set out in the Scheme and in accordance with Sections 230 to 232 of the Companies Act, 2013; and

(v) the reduction of the preference share capital of the Transferor Company 1 in the manner set out in the Scheme and in accordance with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of law.

10. **Rationale of the Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others**

Rationale for Demerger

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans, which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

Rationale for Amalgamation

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

11. **Key salient features of the scheme and details of the capital or debt restructuring proposed in the Scheme**

a) "Appointed Date" for the Scheme means the Effective Date.

b) "Effective Date" means the day on which all of the conditions specified in Clause 42 (Conditions Precedent) of the Scheme are complied with.

c) Demerger, transfer and vesting of the Demerged Undertakings from the Demerged Companies to the Resulting Companies

(i) With effect from the Effective Date, pursuant to the provisions of Sections 230 to 232 of the Act and all other provisions of the Act, (i) the Demerged Undertaking 1 will be demerged and transferred from the Demerged Company 1 and be transferred and vested unto the Resulting Company 1 (ii) the Demerged Undertaking 2 will be demerged and transferred from the Demerged Company 1 and be transferred and vested unto the Resulting Company 2 and (iii) the Demerged Undertaking 3 will be demerged and transferred from the Demerged Company 2 and be transferred and vested unto the Resulting Company 2, without any further act, deed or matter, on a going concern basis, such that said Demerged Undertakings shall without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, licenses, Permits, registrations, quotas, allocations, investments and liabilities of the Resulting Company 1 or Resulting Company 2, as the case may be, simply by virtue of approval of the Scheme and in the manner provided in the Scheme.

(ii) Consideration:

(1) for the transfer and vesting of: (a) the Demerged Undertaking 1 in the Resulting Company 1; (b) Demerged Undertaking 2 in the Resulting Company 2; and (c) Demerged Undertaking 3 in the Resulting Company 2, the Resulting Company 1 shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to the Demerged Company 1, 14,000,000,000 fully paid up equity shares of Rs. 10 each of Resulting Company 1 and additional shares which shall not exceed 1,950,000,000 representing the Demerged Company 1 Additional Value contributed by the Demerged Companies;

(2) for the transfer and vesting of the Demerged Undertaking 2 into Resulting Company 2, the Resulting Company 2 shall issue and allot to the Resulting Company 1; 5,352,980,622 fully

paid up equity share of Rs. 10 each of Resulting Company 2 to Resulting Company 1 in discharge of consideration for Demerged Undertaking 2 as reimbursement of amount discharged by Resulting Company 1 on an aggregate basis as mentioned above to Demerged Company 1 for the Demerged Undertaking 2; and

(3) for the transfer and vesting of the Demerged Undertaking 3 into Resulting Company 2, the Resulting Company 2 shall issue and allot to the Resulting Company 1; 579,999,821 fully paid up equity share of Rs. 10 each of Resulting Company 2 to Resulting Company 1 in discharge of consideration for Demerged Undertaking 3 as reimbursement of amount discharged by Resulting Company 1 on an aggregate basis as mentioned above to Demerged Company 1 for the Demerged Undertaking 3.

(iii) The Demerged Companies and Resulting Companies have also agreed in the Merger Agreement, to effect certain valuation adjustments so as to equalise the value of the Demerged Undertakings and value of the business of the Resulting Companies as on the Effective Date, in consideration of which additional shares may be issued by the Resulting Company 1 to the Demerged Company 1 and Global Communication Services Holding Limited, by way of a preferential allotment, in the manner contemplated in the Merger Agreement. It is clarified that immediately upon implementation of the Scheme (including Parts II, III, IV, V and VI) and the completion of such valuation adjustments agreed in the Merger Agreement, the Demerged Company 1 shall hold 50% of the fully diluted equity share capital of the Resulting Company 1.

d) Amalgamation of the Transferor Companies into the Transferee Company

(i) With effect from the Effective Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting of the Undertaking of the Transferor Companies, Undertaking of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, and stand, transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 230 to 232 of the Act and section 2(1B) of the Income-tax Act, 1961.

(ii) Consideration: On amalgamation of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company, the Transferee Company shall issue and allot:

(1) 22,119,183 fully paid up equity shares of Rs. 10 each of Transferee Company to GCSHL for 11,828,440 equity share of Rs. 10 each held by it in the Transferor Company 1;

(2) 63,900,817 fully paid up equity shares of Rs. 10 each of Transferee Company to SSIPL for 34,171,560 equity share of Rs. 10 each held by it in the Transferor Company 1; and

(3) 1 fully paid up equity shares of Rs. 10 each of Transferee Company to GCSHL for 6,217,278 equity share of Rs. 10 each held by it in the Transferor Company 2.

(4) 2,449,999 fully paid up equity shares of Rs. 10 each of Transferee Company to GCSHL for 1,644,461,328 non-convertible redeemable preference shares of Rs. 10 each held by it in the Transferor Company 2.

(iii) With effect from the Effective Date, and in consideration of the amalgamation of the Transferor Companies into the Transferee Company, the investments held by the Transferor Company 1 in the equity share capital of the Transferee Company shall stand cancelled and accordingly, the share capital of the Transferee Company shall stand reduced to the extent of the face value of the shares held by the Transferor Company 1 in the Transferee Company as on the Effective Date. Such reduction of share capital of the Transferee Company and the Transferor Company 1 shall be effected as a part of the Scheme, upon which the share capital of the Transferee Company and Transferor Company 1

shall be deemed to be reduced and the orders of the High Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming such reduction of share capital of the Transferee Company.

(iv) On the Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned Registrar of Companies.

e) Reorganisation and reduction of the share capital of the Resulting Company 1

(i) Subject to the approval of the Reserve Bank of India and such other Permits as may be required, the Resulting Company 1 RPS shall, on the Scheme coming into effect, without further act or deed be converted at par into fully paid up equity shares of Rs. 10 each of the Resulting Company 1 aggregating to 8,091,527,200 equity shares, and such equity shares (being the RPS Converted Equity Shares) shall be allotted to GCSHL being the holders of such preference shares on the Effective Date.

(ii) Immediately upon issuance and allotment of the RPS Converted Equity Shares, the RPS Converted Equity Shares shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up capital of the Resulting Company 1 to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company 1, pursuant to Section 66 of the Act as also any other applicable provisions of the Act.

(iii) The reduction of the share capital of the Resulting Company 1 shall be effected as an integral part of the Scheme itself, without having to follow the process under Section 66 of the Act separately, and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction. Notwithstanding the reduction of issued, subscribed and paid up equity share capital of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.

f) Conversion of the Resulting Company 1 Shareholder Loans into equity shares of the Resulting Company 1 and thereafter reducing the paid up share capital of the Resulting Company 1

(i) Subject to the approval of the Reserve Bank of India and such other Permits as may be required, upon the Scheme coming into effect: (a) the Resulting Company 1 Shareholder Loans shall be converted to 26,254,046,862 equity shares (being the SHL Converted Equity Shares); and (b) such other loans that may have been brought towards satisfying the interim funding requirements of the Resulting Companies in accordance with Applicable Laws, shall, without further act or deed be converted at par into fully paid up equity shares of Rs. 10 each of the Resulting Company 1.

(ii) Immediately upon issuance and allotment of the SHL Converted Equity Shares and shares issued above and immediately after giving effect to the reductions and cancellation of shares under Clause 31 of the Scheme, 10,550,624,970 fully paid up equity shares or such other higher number of fully paid up equity shares of the Resulting Company 1 from the SHL Converted Equity Shares, for maintaining an optimum capital structure as stated in Clause 19.5 of the Scheme, shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid capital of the Resulting Company 1 to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company 1, pursuant to Section 66 of the Act as also any other applicable provisions of the Act.

(iii) The reduction of the share capital of the Resulting Company 1 shall be effected as an integral part of the Scheme itself, without having to follow the process under Section 66 of the Act separately, and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

g) Reduction of the preference share capital of the Transferor Company 1;

(i) Notwithstanding anything contained in the Scheme and independent of other Parts of the Scheme, the Transferor Company 1 RPS issued by Transferor Company 1 to Transferor Company 2 (i.e. all the 1,644,594,517 redeemable cumulative non-convertible preference shares of Rs. 10 each), shall stand cancelled, extinguished and annulled on and from the Effective Date without any consideration and the paid up preference share capital of the Transferor Company 1 shall stand cancelled and extinguished, which shall be regarded as reduction of share capital of the Transferor Company 1, pursuant to section 66 of the Act as also any other applicable provisions of the Act.

(ii) The reduction of the share capital of the Transferor Company 1 shall be effected as an integral part of the Scheme itself, without having to follow the process under Section 66 of the Act separately and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

h) Upon the Scheme becoming effective, the authorised share capital of the Resulting Company 1 and Resulting Company 2 will automatically stand increased to Rs. 750,000,000,000 and Rs. 85,000,000,000 respectively by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

i) To enable the Resulting Company 1 and Resulting Company 2 to pay the liberalisation costs to the DoT to obtain the approval listed out in Clause 42.1.5 of the Scheme, the Resulting Company 1 be and is hereby permitted to issue to each of GCSHL and the Demerged Company 1, equity shares of value aggregating to not more than the Rs. 37,050,000,000 on the date of such issue of equity shares by the Resulting Company 1 in accordance with the provisions of the Act, memorandum of association and articles of association.

j) The Scheme is and shall be conditional upon various events listed in Clause 42 – "Conditions Precedents".

k) The Demerged Companies (acting jointly but not separately) and/ or the Resulting Companies and the Transferor Companies (all of the Resulting Companies and the Transferor Companies acting jointly but not separately) acting through their respective Board shall each be at liberty to withdraw the Scheme, in the event of expiry or termination of the Merger Agreement.

l) If the Scheme is not effective on or before 30 September 2017 or within such further period or periods as may be agreed upon between the Demerged Companies and the Resulting Companies through their respective Boards or its authorized representative, the Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

m) In the event of revocation/ withdrawal as stated above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Companies, the Transferor Companies and the Resulting Companies or their respective shareholders or creditors or employees or any other person save and except as provided in the Merger Agreement.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

12. **Summary of Valuation Reports including basis of valuation and Fairness opinions**

(i) Summary of Valuation Reports obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer:

(a) Valuation Report on Share Entitlement for demerger of Demerged Undertakings from Demerged Companies to the Resulting Companies- AL and the Specified Telecom Operations of RCom were valued using Sum-of-the-Parts ('SOTP') analysis (circle wise Net asset value method ('NAV') /

Comparable Companies Quoted Multiple ('CCM) methods). The valuer have assigned higher weight to SOTP method and lower weight to CCM method.

(b) Valuation Report on Fair Equity Exchange Ratio/Share Entitlement for the Merger of Deccan and SACPL into AL- The valuer has considered NAV on a replacement basis as the appropriate method for valuation of AL considering that telecom spectrum is a significant intangible asset for which auction price benchmarks are available. Apart from spectrum and other select intangibles the balance sheets have been primarily considered at book values. While applying this method, SOTP analysis circle by circle where certain circles with potential intrinsic value / possible differential strategic options are value based on NAV method (while others continue to value based on CCM method). Considering Deccan and SACPL do not have any business operations, valuer have used NAV (book value adjusted for value of underlying investments).

(ii) Fairness Opinion obtained from M/s. Keynote Corporate Services Limited, Merchant Banker.

(a) Fairness Opinion obtained on Valuation Report on Share Entitlement for demerger of Demerged Undertakings from Demerged Companies to the Resulting Companies.

(b) Fairness Opinion obtained on Valuation Report on Fair Equity Exchange Ratio / Share Entitlement for the Merger of Deccan and SACPL into AL.

(c) The share entitlement for the equity shareholders as suggested by M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer for the demerger as well as merger is fair in their opinion based on the information, data made available to them including the valuation reports.

(iii) The valuation reports are available for inspection at the Registered office of RCom.

13. Statutory Auditors of RCom, M/s. Chaturvedi & Shah, Chartered Accountants had vide certificate dated 14th September, 2016 confirmed that the accounting treatment proposed in the Scheme for RCom is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

14. **Approvals / Sanctions/ No-Objections from Regulatory or any Governmental Authorities**

(a) The Company has received, in terms of Regulation 37 of SEBI LODR Regulations, Observation Letters dated 3rd March, 2017 both from the National Stock Exchange of India Limited and BSE Limited. Copies of the said letters are enclosed as Annexures to this Notice.

(b) As required by the SEBI Circular, RCom has filed the Complaints Reports with the National Stock Exchange of India Limited and BSE Limited. After filing of the Complaint Reports, RCom has not received any complaint. Copies of the said reports are enclosed as Annexures to this Notice.

(c) The Scheme is inter-alia, conditional upon receipt of approvals of the following regulatory and governmental authorities:

(i) Reserve Bank of India ("RBI").

(ii) Competition Commission of India ("CCI");

(iii) Department of Telecommunications ("DoT");

(iv) Committee on Foreign Investment in the United States;

(v) Federal Communications Commission of the United States;

15. **Amounts due to unsecured creditors as on 30th September, 2016 (provisional)**

Particulars of amounts due to Unsecured Creditors from respective Company's involved in the Scheme as at September 30, 2016 is detailed herein:

Name of the Applicant Companies	Amount (in Rs.)
RCom	139,346,540,789
RTL	68,552,453,017
AL	148,342,478,394
DWL	130,746,965,403
Deccan	3,480,329
SACPL	2,522,415

16. **Effect of the Scheme on various parties**

a) **Directors & Key Managerial Personnel –** The Directors or KMPs or their relatives of the respective Companies involved in the Scheme do not have any other interest in the Scheme otherwise than that as shareholders in any of Applicant Companies involved in the scheme. Further, none of the managers, key managerial personnel and/or relatives of the directors / KMPs of the respective Companies involved in the Scheme is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors of the respective Companies involved in the Scheme have any material interest in the proposed Scheme. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons. The Directors and KMPs of the Transferor Companies viz. Deccan and SACPL shall cease to be Directors and/or KMP consequent to their dissolution upon amalgamation with AL as detailed in the Scheme.

Details of the present Directors and Key Managerial Personnel (KMP) and their respective equity shareholding as on date in other Applicant Companies are as follows:

RCom

Sr. No.	Name of the Directors and KMP of RCom	Shares held in RCom	Shares held in RTL	Shares held in AL	Shares held in DWL	Shares held in Deccan	Shares held in SACPL
Directors							
1.	Mr. Anil D. Ambani	1,859,171	–	–	–	–	–
2.	Mr. Deepak Shourie	–	–	–	–	–	–
3.	Prof. J. Ramachandran	–	–	–	–	–	–
4.	Mr. A. K. Purwar	–	–	–	–	–	–
5.	Mr. R. N. Bhardwaj	–	–	–	–	–	–
6.	Mrs. Manjari Kacker	–	–	–	–	–	–
KMPs							
1.	Mr. Prakash Shenoy, Company Secretary and Manager	–	1*	–	–	–	–
2.	Mr. Manikantan Iyer, Chief Financial Officer	–	–	–	–	–	–

*jointly with Reliance Communications Limited

RTL

Sr. No.	Name of the Directors and KMP of RTL	Shares held in RCom	Shares held in RTL	Shares held in AL	Shares held in DWL	Shares held in Deccan	Shares held in SACPL
Directors							
1.	Mr. S. Seth	-	-	-	-	-	-
2.	Mr. Gautam Doshi	-	-	-	-	-	-
3.	Mr. Prakash Shenoy	-	1*	-	-	-	-
4.	Mr. Satyendra Sarupria	-	-	-	-	-	-
5.	Mr. Dagdulal Jain	-	-	-	-	-	-
6.	Mrs. Grace Thomas	-	-	-	-	-	-
KMPs							
1.	Mr. Gaurang Shah, Company Secretary and Manager	25	1*	-	-	-	-
2.	Mr. Sanjay Kumar Agarwal, Chief Financial Officer	1	-	-	-	-	-

*jointly with Reliance Communications Limited

AL

Sr. No.	Name of the Directors and KMP of AL	Shares held in RCom	Shares held in RTL	Shares held in AL	Shares held in DWL	Shares held in Deccan	Shares held in SACPL
Directors							
1.	Ms. Suneeta Reddy	-	-	-	-	-	-
2.	Mr. Bhaskara Nageswararao Mandavilli	201*	-	-	-	-	-
3.	Mr. Vali Nijhawan	1,220*	-	-	-	-	-
4.	Mr. Umesh Jain	204*	-	-	-	-	-
5.	Mr. Uthaya Kumar	-	-	-	-	-	-
6.	Mr. Anand Swarup Pathak	-	-	-	-	-	-
7.	Dr. Balasubrahmanyam Venkataraman	-	-	-	-	-	-
8.	Mr. Sheo Nandan Sahai	-	-	-	-	-	-
KMPs							
1.	Dr. Kaizad Heerjee, Chief Executive Officer	-	-	-	-	-	-

*includes joint holding

DWL

Sr. No.	Name of the Directors and KMP of DWL	Shares held in RCom	Shares held in RTL	Shares held in AL	Shares held in DWL	Shares held in Deccan	Shares held in SACPL
Directors							
1.	Ms. Suneeta Reddy	-	-	-	-	-	-
2.	Mr. Vali Nijhawan	1,220*	-	-	-	-	-
3.	Mr. Umesh Jain	204*	-	-	-	-	-
4.	Mr. Uthaya Kumar	-	-	-	-	-	-
5.	Mr. Anand Swarup Pathak	-	-	-	-	-	-
6.	Dr. Balasubrahmanyam Venkataraman	-	-	-	-	-	-
7.	Mr. Sheo Nandan Sahai	-	-	-	-	-	-
KMPs							
1.	Dr. Kaizad Heerjee, Chief Executive Officer	-	-	-	-	-	-
2.	Mr. Nalin Kumar Asthana, Company Secretary	-	-	-	-	-	-

*includes joint holding

Deccan

Sr. No.	Name of the Directors and KMP of Deccan	Shares held in RCom	Shares held in RTL	Shares held in AL	Shares held in DWL	Shares held in Deccan	Shares held in SACPL
Directors							
1.	Ms. Suneeta Reddy	-	-	-	-	-	-
2.	Mr. Bommi Narasimhavijay Tarun Reddy	-	-	-	-	-	-
3.	Ms. Lai Choon Foong	-	-	-	-	-	-
KMPs							
1.	Mr. K Balasubramanian	-	-	-	-	-	-

SACPL

Sr. No.	Name of the Directors and KMP of SACPL	Shares held in RCom	Shares held in RTL	Shares held in AL	Shares held in DWL	Shares held in Deccan	Shares held in SACPL
Directors							
1.	Mr. Punkaj Jain	-	-	-	-	-	-
2.	Mr. Uthaya Kumar	-	-	-	-	-	-
3.	Ms. Lai Choon Foong	-	-	-	-	-	-
KMPs							
1.	Mr. Dharmender Kumar	-	-	-	-	-	-

b) Promoter & Non-Promoter Equity Shareholders of RCom, RTL, AL and DWL and preference shareholders of RTL, AL and DWL:

i. The proposed Scheme contemplates creation of a Joint Venture between RCom Group and Aircel Group with a commercial understanding that each of the Group will hold 50% Equity stake in the combined entity, which is proposed to be AL, on fully diluted basis with equal representation on the Board of Directors and all Committees.

ii. It is also commercially agreed between the both Groups to restrict the respective Group's debt in the combined entity (i.e. AL) at pre-agreed amount.

iii. It is in the interest of both the groups to hold 50% Equity in the combined entity since holding of less than 50% will upset the balance of other and result in the promoters of one group having complete control over the combined entity. This would be totally contrary to the commercial interests of both the groups who are telecom operators and not mere investors in the telecom field.

iv. Since there would effectively be only two promoters in the combined entity viz. RCom and the promoters of Aircel who between them hold 100% of the combined entity, the shares of the AL cannot be listed.

v. Further, allotment of 50% Equity stake to RCom is in the interest of RCom, such allotment would also be in the best interest of all its stakeholders including RCom's shareholders.

vi. Since respective Group's debt in the combined entity is restricted at pre-agreed amount, all existing Preference Shares of AL would first be converted into Equity Shares of AL and subsequently be cancelled to arrive at the desired equal equity stake of both the Groups in the combined entity.

vii. As the Scheme does not provide for reorganize the terms of the Preference Shareholders of RTL and DWL, their rights would not be affected.

viii. Overall the Scheme, inter-alia, provides for the consolidation of the wireless telecom business of RCom group and Aircel group, it will enhance competitive strength; achieve cost reduction, efficiencies and productivity gains by pooling financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies; thereby significantly contributing to the future growth and maximizing shareholders' value.

c) Promoter & Non-Promoter Equity and Preference Shareholders of Deccan and SACPL:

i. Equity shareholders of Deccan and SACPL and Preference Shareholders of SACPL shall be eligible for issuance of Shares of AL based on the valuation report obtained from M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer.

ii. Consequent to amalgamation of Deccan and SACPL, such preference share capital of the Deccan, which are entirely held by SACPL, shall be cancelled.

Thus, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

The pre and post (expected) Scheme shareholding patterns of the respective companies involved in the Scheme as on 30th September 2016 is as follows:

RCom

	Description	Pre-Scheme shareholding of RCom		Post-Scheme shareholding of RCom (Expected)	
		Number of shares	% (A+B+C)	Number of shares	% (A+B+C)
(A)	**Promoter and promoter group**				
1	Indian				
(a)	Individuals / Hindu Undivided Family	98,45,709	0.40%	98,45,709	0.40%
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-
(d)	Any other –	1,45,48,51,135	58.45%	1,45,48,51,135	58.45%
	Sub-Total A(1):	**1,46,46,96,844**	**58.85%**	**1,46,46,96,844**	**58.85%**
2	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other (specify)	-	-	-	-
	Sub-Total A(2) :	-	-	-	-
	Total A=A(1)+A(2)	**1,46,46,96,844**	**58.85%**	**1,46,46,96,844**	**58.85%**
(B)	**PUBLIC SHAREHOLDING**				
1	Institutions				
(a)	Mutual Funds/UTI	3,99,40,777	1.60%	3,99,40,777	1.60%
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	29,95,93,082	12.04%	29,95,93,082	12.04%
(f)	Financial Institutions / Banks	63,09,871	0.25%	63,09,871	0.25%
(g)	Insurance Companies	17,62,68,422	7.08%	17,62,68,422	7.08%
(h)	Provident Funds/ Pension Funds	-	-	-	-
(i)	Any other - FII	11,04,27,881	4.44%	11,04,27,881	4.44%
	Sub-Total B(1) :	**63,25,40,033**	**25.41%**	**63,25,40,033**	**25.41%**

	Description	Pre-Scheme shareholding of RCom		Post-Scheme shareholding of RCom (Expected)	
		Number of shares	% (A+B+C)	Number of shares	% (A+B+C)
B(2)	Central Government/ State Government(s)/ President of India	12,21,257	0.05%	12,21,257	0.05%
	Sub-Total B(2):	**12,21,257**	**0.05%**	**12,21,257**	**0.05%**
B(3)	**NON-INSTITUTIONS**				
	Individual share capital upto Rs. 2 Lacs	23,77,87,599	9.55%	23,77,87,599	9.55%
	Individual share capital in excess of Rs. 2 Lacs	2,51,83,173	1.01%	2,51,83,173	1.01%
	NBFCs registered with RBI	-	-	-	-
	Employee Trusts	-	-	-	-
	Overseas Depositories (holding DRs)	-	-	-	-
	Any Other - NRI & OCBs	9,59,16,592	3.85%	9,59,16,592	3.85%
	Sub-Total B(3):	**35,88,87,364**	**14.42%**	**35,88,87,364**	**14.42%**
	Total B=B(1)+B(2)+B(3):	**99,26,48,654**	**39.88%**	**99,26,48,654**	**39.88%**
C	**Non Promoter-Non Public**				
(C1)	Shares underlying DRs	1,03,55,247	0.42%	1,03,55,247	0.42%
(C2)	Shares held by Employee Trust	2,12,79,000	0.85%	2,12,79,000	0.85%
	Total Non Promoter-Non Public Shareholding (C)= (C)(1)+(C) (2):	3,16,34,247	1.27%	3,16,34,247	1.27%
	GRAND TOTAL (A+B+C) :	**248,89,79,745**	**100.00%**	**248,89,79,745**	**100.00%**

Note : There will be no change in the Equity shareholding pattern of RCom post Scheme as no shares would be issued pursuant to the Scheme. The above shareholding pattern does not include issue of 276,553,305 equity shares of Rs. 5 each aggregating to ten per cent (10%) of the total issued and fully paid up share capital of the Company, on a fully diluted basis, pursuant to the Scheme of Arrangement between Sistema Shyam TeleServices Limited and the Company.

RTL

Equity Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of RTL		Post-Scheme shareholding of RTL (Expected)	
		No. of shares	%	No. of shares	%
1.	Reliance Communications Limited	66,980,100*	78.80%	66,980,100	78.80%
2.	Reliance Infocomm Infrastructure Limited#	18,019,900	21.20%	18,019,900	21.20%
	Total	**85,000,000**	**100.00%**	**85,000,000**	**100.00%**

* 5 shares jointly held by 5 (five) individuals one share each for statutory requirements of which Reliance Communications Limited has ownership and beneficial interest.

a wholly owned subsidiary of RCom

Preference Share Capital:

a. 1% Non convertible, non cumulative, redeemable preference shares

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of RTL		Post-Scheme shareholding of RTL (Expected)	
		No. of shares	%	No. of shares	%
1.	Reliance Communications Limited	45,000,000	100.00%	45,000,000	100.00%
	Total	**45,000,000**	**100.00%**	**45,000,000**	**100.00%**

b. 1% Redeemable, non cumulative, non convertible preference shares

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of RTL		Post-Scheme shareholding of RTL (Expected)	
		No. of shares	%	No. of shares	%
1.	Reliance Communications Tamilnadu Limited	13,477,000	100.00%	13,477,000	100.00%
	Total	**13,477,000**	**100.00%**	**13,477,000**	**100.00%**

Note: There will be no change in the Equity and Preference shareholding pattern of RTL post Scheme as no shares would be issued pursuant to the Scheme.

AL

Equity Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of AL		Post-Scheme shareholding of AL (Expected) (Refer Note)	
		No. of shares	%	No. of shares	%
1.	Deccan Digital Networks Pvt. Ltd.	85,135, 135	35.00%	-	-
2.	Global Communication Services Holdings Ltd	158,108,108*	65.00%	15,886,099,183#	49.80%
3.	Sindya Securities & Investment Pvt. Ltd.	-	-	63,900,817	0.20%
4.	Reliance Communications Limited	-	-	15,950,000,000	50.00%
	Total	**243,243,243**	**100.00%**	**31,900,000,000**	**100.00%**

Note:

* Global Communication Services Holdings Limited (GCSHL) holds 158,108,103 shares in AL in its own name. It also holds 5 shares jointly with five of its associate companies. Thus GCSHL together with its associates holds 158,108,108 shares of AL, representing 65% of the total paid-up share capital of AL.

5 Shares Jointly held by 5 (five) associate companies each for statutory requirements of which GCSHL has ownership and beneficial interest.

In addition to the shares issued under the Scheme, AL and DWL may be required to pay to the DoT towards liberalisation costs. AL may be required to issue shares worth Rs. 37,050,000,000 (Rupees Three Thousand Seven Hundred Five Crore only) to each of Global Communication Services Holdings Ltd., Mauritius and Reliance Communications Limited between the date on which the Board of Directors approved the Scheme till the Effective Date of the Scheme.

Preference Share Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of AL	
		No. of shares	%
1.	Global Communication Services Holdings Ltd	8,091,527,200	100.00%
	Total	**8,091,527,200**	**100.00%**

Post Scheme: All the preference shares would be converted into equity shares in accordance with the provisions of the Scheme. Thus, no preference shares would exist post implementation of the Scheme.

DWL

Equity Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of DWL		Post-Scheme shareholding of DWL (Expected)	
		No. of shares	%	No. of shares	%
1.	Aircel Limited	29,798,130*	100.00%	5,962,778,573#	100.00%
	Total	**29,798,130**	**100.00%**	**5,962,778,573**	**100.00%**

* AL holds 29,798,124 shares in DWL in its own name. It also holds 6 shares jointly with 6 individuals. Thus, AL together with individuals holds 29,798,130 shares of DWL, representing 100% of the total paid-up share capital of DWL.

6 Shares jointly held by 6 (six) individuals each for statutory requirements of which AL has ownership and beneficial interest.

Preference Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of DWL		Post-Scheme shareholding of DWL (Expected)	
		No. of shares	%	No. of shares	%
1.	Global Communication Services Holdings Ltd	1,608,817,590	100.00%	-	-
2.	Aircel Limited	-	-	1,608,817,590	100.00%
	Total	**1,608,817,590**	**100.00%**	**1,608,817,590**	**100.00%**

Deccan

Equity Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of Deccan	
		No. of shares	%
1.	Sindya Securities & Investment Pvt. Ltd.	34,171,560	74.29%
2.	Global Communication Services Holdings Ltd.	11,828,440	25.71%
	Total	**46,000,000**	**100.00%**

Preference Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of Deccan	
		No. of shares	%
1.	South Asia Communications Pvt. Ltd.	1,644,594,517	100.00%
	Total	**1,644,594,517**	**100.00%**

Post Scheme: Not Applicable as Deccan would be merged with AL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity and Preference Share Capital of Deccan shall stand cancelled in pursuance of the Scheme.

SACPL

Equity Capital

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of SACPL	
		No. of shares	%
1.	Global Communication Services Holdings Ltd.	6,217,277	99.99%
2.	Maxis Communications Berhad jointly with Global Communications Services Holdings Limited	1	0.01%
	Total	**6,217,278**	**100.00%**

Preference Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of SACPL	
		No. of shares	%
1.	Global Communication Services Holdings Ltd	1,644,461,328	100.00%
	Total	**1,644,461,328**	**100.00%**

Post Scheme: Not Applicable as SACPL would be merged with AL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of SACPL shall stand cancelled in pursuance of the Scheme.

d) **Creditors –** The rights and interest of the respective creditors of Companies involved in the Scheme will not be prejudicially affected by the Scheme as post Scheme, the respective companies shall meet their respective liabilities as they arise in the ordinary course of business. Further the rights and interests of the Creditors will not be prejudicially affected by the Scheme as there is no Compromise and/or Arrangement with the Creditors (except in the case of AL for the Resulting Company 1 Shareholder Loans) since no sacrifice or waiver is, at all, called from them nor are their terms or rights sought to be modified in any manner.

e) **Debenture Holders and Debenture Trustees of RCom-** There is expected to be no adverse effect of the Scheme on debenture holders and debenture trustees as there is no Compromise and/or Arrangement with the Debenture Holders since no sacrifice or waiver is, at all, called from them nor are their terms or rights sought to be modified in any manner.

f) **Employees**

(a) Employees of the three Demerged Undertakings, RCom or RTL, as the case may be – The rights and interests of the Transferred Employees of the Demerged Undertakings (identified in the manner as set out in the Merger Agreement) of RCom or RTL, as the case may be, will not be prejudicially affected by the Scheme as such Transferred Employees will become Employees of AL or DWL, as the case may be, on terms and conditions that are no less favourable without any break or interruption in service. The period of services of all such Transferred Employees with RCom or RTL, as the case may be, prior to the Effective Date shall be taken into account for the purposes of all benefits of AL or DWL, as the case may be, to which the said Transferred Employees may be eligible, including for the purpose of payment of any remuneration or contracts or statutory benefits, incentive plans, retrenchment compensation, gratuity and other terminal benefits. Save as expressly provided for in this Scheme, the Transferred Employees who become employees of AL or DWL, as the case may be, by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of AL or DWL, as the case may be, unless otherwise determined by the AL or DWL, as the case may be. AL or DWL, as the case may be, also undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by RCom or RTL, as the case may be, with any union/ Transferred Employee of RCom or RTL, as the case may be.

(b) Employees of the Transferor Companies viz. Deccan and SACPL –

The rights and interests of the Employees of the Transferor Companies will not be prejudicially affected by the Scheme as such employees will become employees of AL on same terms and conditions on which they are engaged by the Transferor Companies without any interruption of service as a result of the amalgamation of the Transferor Companies with AL. The period of services of all employees with the Transferor Companies prior to the amalgamation of the Transferor Companies with AL shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits. Save as expressly provided for in this Scheme, the employees of the Transferor Companies who become employees of AL by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of AL (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of AL) unless otherwise determined by the AL. AL also undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by Transferor Companies, with any union/ Transferred Employee of Transferor Companies.

17. CAPITAL STRUCTURE PRE AND POST SCHEME

Pre & Post Scheme Capital structure of all the Companies involved in the Scheme will be as under:

RCom

	Pre-Scheme as on 30th September, 2016		**Post- Scheme (Expected)**	
	No. of Shares	**Rs. in crores**	**No. of Shares**	**Rs. in crores**
Authorised Share Capital:				
Equity Shares of Rs.5 each	5,000,000,000	2,500.00	5,000,000,000	2,500.00
Total	**5,000,000,000**	**2,500.00**	**5,000,000,000**	**2,500.00**
Issued, Subscribed & Paid Up Share Capital:				
Equity Shares of Rs.5 each fully paid up	2,488,979,745	1244.48	2,488,979,745	1244.48
Total	**2,488,979,745**	**1244.48**	**2,488,979,745**	**1244.48**

Note: There will be no change in the Shareholding Pattern of Equity Shares of RCom, pre and post scheme.

RTL

	Pre-Scheme as on 30th September, 2016		**Post- Scheme (Expected)**	
	No. of Shares	**Rs. in crores**	**No. of Shares**	**Rs. in crores**
Authorised Share Capital:				
Equity shares of Rs. 10 each	120,000,000	120.00	120,000,000	120.00
Preference shares of Rs. 10 each	100,000,000	100.00	100,000,000	100.00
Unclassified shares of Rs. 10 each	280,000,000	280.00	280,000,000	280.00
Total		500.00		500.00

	Pre-Scheme as on 30th September, 2016		Post- Scheme (Expected)	
	No. of Shares	**Rs. in crores**	**No. of Shares**	**Rs. in crores**
Issued, Subscribed & Paid Up Share Capital:				
Equity shares of Rs. 10 each	85,000,000	85.00	85,000,000	85.00
Non-convertible, non-cumulative, redeemable preference shares of Rs. 10 each fully paid	45,000,000	45.00	45,000,000	45.00
Redeemable, non-cumulative, non-convertible preference shares of Rs. 10 each fully paid	13,477,000	13.48	13,477,000	13.48
Total		**143.48**		**143.48**

Note: There will be no change in the Shareholding Pattern of Equity and Preference Shares of RTL, pre and post scheme.

AL

	Pre-Scheme as on 30th September, 2016		Post- Scheme (Expected)	
	No. of Shares	**Rs. in crores**	**No. of Shares**	**Rs. in crores**
Authorised Share Capital:				
Equity shares of Rs. 10 each	5,000,000,000	5,000	75,000,000,000	75,000.00
Redeemable cumulative non-convertible preference shares of Rs. 10 each	15,000,000,000	15,000	-	-
Total		**20,000**		**75,000.00**
Issued, Subscribed & Paid Up Share Capital:				
Equity shares of Rs. 10 each	243,243,243	243.24	31,900,000,000	31,900.00
Redeemable cumulative non-convertible preference shares of Rs. 10 each	8,091,527,200	8091.53	-	-
Total		**8334.77**		**31,900.00**

Notes: (i) In addition to the shares issued under the Scheme, AL and DWL may be required to pay to the DoT towards liberalisation costs. AL may be required to issue shares worth Rs. 37,050,000,000 (Rupees Three Thousand Seven Hundred Five Crore only) to each of Global Communication Services Holdings Ltd., Mauritius and Reliance Communications Limited between the date on which the Board of Directors approved the Scheme till the Effective Date of the Scheme.

(ii) The Preference Shares would be converted into Equity Shares of AL in accordance with the provisions of the Scheme. Hence, no preference shares would exist post implementation of the Scheme.

DWL

	Pre-Scheme as on 30th September, 2016		Post- Scheme (Expected)	
	No. of Shares	**Rs. in crores**	**No. of Shares**	**Rs. in crores**
Authorised Share Capital:				
Equity shares of Rs. 10 each	75,000,000	75.00	6,500,000,000	6,500.00
Redeemable cumulative non-convertible preference shares of Rs. 10 each	2,000,000,000	2,000.00	2,000,000,000	2,000.00
Total		**2,075.00**		**8,500.00**
Issued, Subscribed & Paid Up Share Capital:				
Equity shares of Rs. 10 each	29,798,130	29.80	5,962,778,573	5962.78
Redeemable cumulative non-convertible preference shares of Rs. 10 each	1,608,817,590	1,608.82	1,608,817,590	1,608.82
Total		**1638.62**		**7571.59**

Deccan

	Pre-Scheme as on 30th September, 2016	
	No. of Shares	**Rs. in crores**
Authorised Share Capital:		
Equity shares of Rs. 10 each	300,000,000	300.00
Redeemable cumulative non-convertible preference shares of Rs. 10 each	2,000,000,000	2,000.00
Total		2,300.00
Issued, Subscribed & Paid Up Share Capital:		
Equity shares of Rs. 10 each	46,000,000	46.00
Redeemable cumulative non-convertible preference shares of Rs. 10 each	1,644,594,517	1,644.59
Total		**1,690.59**

Note: Deccan would be merged with AL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of Deccan shall stand cancelled in pursuance of the Scheme.

SACPL

	Pre-Scheme as on 30th September, 2016	
	No. of Shares	**Rs. in crores**
Authorised Share Capital:		
Equity shares of Rs. 10 each	300,000,000	300.00
Redeemable cumulative non-convertible preference shares of Rs. 10 each	2,000,000,000	2,000.00
Total		**2,300.00**
Issued, Subscribed & Paid Up Share Capital:		
Equity shares of Rs. 10 each	6,217,278	6.22
Redeemable cumulative non-convertible preference shares of Rs. 10 each	1,644,461,328	1644.46
Total		**1650.68**

Note: SACPL would be merged with AL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of SACPL shall stand cancelled in pursuance of the Scheme.

18. The copy of draft scheme has been filed with the Registrar of Companies.

19. No investigation proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against RCom.

20. No winding up petition has been admitted against the RCom.

21. On the Scheme being approved by the requisite majority of the shareholders of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, all the Companies will file a petition with the Tribunal at Mumbai for sanction of the Scheme.

22. The following documents will be open for inspection by the equity shareholders of RCom up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 A.M. and 2:00 P.M. on all working days, except Saturdays, Sundays and Public Holidays:

    (i) Copy of the Order dated March 15, 2017 of the Tribunal at Mumbai passed in Company Scheme Application No. 264 of 2017 directing the convening of the meeting of the Equity Shareholders of RCom;

    (ii) Copy of the Company Scheme Application No. 264 of 2017;

    (iii) Composite Scheme of Arrangement;

    (iv) Memorandum and Articles of Association of RCom, RTL, AL, DWL, Deccan and SACPL;

    (v) Annual Report of RCom, RTL, AL, DWL, Deccan and SACPL for the financial year ended March 31, 2016;

    (vi) Copies of the report on the Share Entitlement for demerger dated 14th September, 2016 issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer and Fairness Opinions dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited thereon;

    (vii) Copies of the report on the Share Entitlement for merger dated 14th September, 2016 issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer and Fairness Opinions dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited thereon;

    (viii) Certificates issued by respective Statutory Auditors of RCom, RTL, AL, DWL, Deccan and SACPL in relation to the accounting treatment prescribed in the Scheme is in compliance with the Accounting Standards;

    (ix) Copy of the Complaints Report submitted to National Stock Exchange of India Limited and BSE Limited and also uploaded on the Company's website.

    (x) Copy of Observation letters issued by National Stock Exchange of India Limited and BSE Limited.

    (xi) Register of Director's Shareholdings of RCom, RTL, AL, DWL, Deccan and SACPL.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of RCom or/ and at the office of advocate situated at 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001,

R. N. Bhardwaj

Chairperson appointed for the meeting.

Place: Mumbai
Date: March 17, 2017

Registered Office:
Reliance Communications Limited,
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Navi Mumbai 400 710
CIN - L45309MH2004PLC147531

COMPOSITE SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100-104 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

BETWEEN

RELIANCE COMMUNICATIONS LIMITED

AND

RELIANCE TELECOM LIMITED

AND

AIRCEL LIMITED

AND

DISHNET WIRELESS LIMITED

AND

DECCAN DIGITAL NETWORKS PRIVATE LIMITED

AND

SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. BACKGROUND OF THE COMPANIES

(i) Reliance Communications Limited, the **"Demerged Company 1",** is a public listed company incorporated under the Companies Act, 1956 under the corporate identity number L45309MH2004PLC147531.The Demerged Company 1 is engaged, inter alia, in the business of providing telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data centre services.

(ii) Reliance Telecom Limited, the **"Demerged Company 2",** is a public company incorporated under the Companies Act, 1956 under the corporate identity number U32100MH1994PLC162841. The Demerged Company 2 is engaged, inter alia, in the business of providing telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data centre services.

(iii) Deccan Digital Networks Private Limited, the **"Transferor Company 1"**, is a private company incorporated under the Companies Act, 1956 under the corporate identity number U64202DL2006PTC144852. The Transferor Company 1 is a shareholder of the Resulting Company 1.

(iv) South Asia Communications Private Limited, the **"Transferor Company 2",** is a private company incorporated under the Companies Act, 1956 under the corporate identity number U72900DL2006PTC146401. The Transferor Company 2 is a shareholder of the Transferor Company 1.

(v) Aircel Limited, the **"Resulting Company 1"** or **"Transferee Company",** is a public company incorporated under the Companies Act, 1956 under the corporate identity number U32201MH1994PLC284030. The Resulting Company 1 is engaged, inter alia, in the business of providing telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data centre services.

(vi) Dishnet Wireless Limited, the **"Resulting Company 2",** is a public company incorporated under the Companies Act, 1956 under the corporate identity number U74999MH1998PLC283931. The Resulting Company 2 is engaged, inter alia, in the business of providing telecom services, covering mobile and fixed line telephony, including broadband, national and international long distance services and data services along with an exhaustive range of value added services and applications, data centre services.

B. RATIONALE FOR THIS SCHEME

The demerger and vesting of the Demerged Undertakings (defined hereinafter) of the Demerged Companies (defined hereinafter) to the Resulting Companies (defined hereinafter) pursuant to this Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans (as defined hereinafter) which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies (defined hereinafter) with the Transferee Company pursuant to this Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

C. OVERVIEW AND OPERATION OF THIS SCHEME

(i) This Scheme provides for:

(a) the demerger, transfer and vesting of the Demerged Undertakings from the Demerged Companies to the Resulting Companies on a going concern basis, and the consequent issue of shares by the Resulting Company 1 to the Demerged Company 1, in accordance with the provisions of Sections 391 to 394 of the Act (as defined hereinafter) and other applicable provisions of law;

(b) the amalgamation of the Transferor Companies into the Transferee Company/Resulting Company 1, and the consequent issue of shares by the Resulting Company 1 to the shareholders of the Transferor Companies, in the manner set out in this Scheme and in accordance with the provisions of Sections 391 to 394 of the Act and other applicable provisions of law;

(c) the reorganisation and reduction of the share capital of the Resulting Company 1 by converting the Resulting Company 1 RPS (as defined hereinafter) into equity shares of the Resulting Company 1 and thereafter reducing the paid up share capital of the Resulting Company 1 in the manner set out in this Scheme and in accordance with Sections 100 to 103 and Sections 391 to 394 of the Act;

(d) the conversion of the Resulting Company 1 Shareholder Loans (as defined hereinafter) into equity shares of the Resulting Company 1 and thereafter reducing the paid up share capital of the Resulting Company 1 in the manner set out in this Scheme and in accordance with Sections 100 to 103 and Sections 391 to 394 of the Act; and

(e) the reduction of the preference share capital of the Transferor Company 1 in the manner set out in this Scheme and in accordance with the provisions of Sections 100 to 103 and Sections 391 to 394 of the Act and other applicable provisions of Applicable Law.

D. The Demerged Companies will continue to pursue their interests in the Remaining Business (as defined hereinafter) as is presently being carried out.

E. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

(i) **PART I** deals with the definitions of capitalized terms used in this Scheme and the share capital of the Demerged Companies, the Transferor Companies and the Resulting Companies;

(ii) **PART II** deals with the transfer and vesting of the Demerged Undertakings from the Demerged Companies into the Resulting Companies, the manner of vesting of the Demerged Undertakings and the consideration thereof;

(iii) **PART III** deals with the amalgamation of the Transferor Companies with the Transferee Company and the consideration thereof;

(iv) **PART IV** deals with the conversion of the Resulting Company 1 RPS (defined hereinafter) into equity shares and the subsequent reduction and cancellation of such equity shares;

(v) **PART V** deals with the conversion of the Resulting Company 1 Shareholder Loans (defined hereinafter) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

(vi) **PART VI** deals with the reduction and cancellation of the Transferor Company 1 RPS; and

(vii) **PART VII** deals with the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1. In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

"Act" means the Companies Act, 2013 to the extent of the provisions notified and the Companies Act, 1956 to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under Applicable Laws, made thereunder from time to time;

"Affiliate" of a specified Person, means a Person that directly or indirectly Controls, is directly or indirectly Controlled by, or is, directly or indirectly, under common Control with, such specified Person;

"Appointed Date" means the Effective Date;

"Applicable Law" means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of Demerged Company 1.

"Appropriate Authority" means:

(i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;

(ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;

(iii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority; and

(iv) any Stock Exchange.

"Board" in relation to each of the Transferor Companies, the Demerged Companies and the Resulting Companies, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto.

"Business Day" means a day (other than a Saturday, a Sunday or a public holiday) when commercial banks are open for ordinary banking business in Mumbai, India and Kuala Lumpur, Malaysia, in the context of a payment being made to or from a scheduled commercial bank in a place other than Mumbai, India or Kuala Lumpur, Malaysia, in such other place;

"Cash/ Cash Equivalent" shall mean the cash or cash equivalent to be contributed by the Demerged Companies to the Demerged Undertakings on or prior to the Effective Date and shall be determined in the following manner:

(a) if the Demerged Company 1 Qualifying Capex is equal to or greater than INR 13,000,000,000 then Cash/ Cash Equivalent to be contributed shall be an amount equal to INR 19,500,000,000 MINUS INR 13,000,000,000 MINUS the amount of Qualifying Deferred Spectrum Payments; or

(b) if the Demerged Company 1 Qualifying Capex is less than INR 13,000,000,000 then Cash/ Cash Equivalent to be contributed shall be equal to INR 19,500,000,000 MINUS such amount of Demerged Company 1 Qualifying Capex MINUS the amount of Qualifying Deferred Spectrum Payments.

"Control" of a specified Person means the direct or indirect power to direct, or cause the direction of, the management or policies of the specified Person, through the ownership of shares, by contract or otherwise. A Person will be deemed to Control such a specified Person if: (a) that Person has the direct or indirect power: (i) to exercise or cause the exercise of more than 50% of the voting rights (or equivalent) in respect of the specified Person; or (ii) to appoint or cause the appointment of more than half of the board of directors or similar governing body of the specified Person; or (b) the specified Person is a limited partnership and the Person is the general partner or manager of that limited partnership and the terms "Controlled by" and "under common Control with" shall be construed accordingly.

"CDMA" means Code Division Multiple Access;

"CDMA Business" means the wireless communication business of the Demerged Companies comprising both voice and data services utilising administratively allocated spectrum in the 850 MHz band based on the CDMA protocol and/or CDMA 2000, 1XRTT and HSIA technologies, and includes the CDMA business acquired by the Demerged Company 1 under the SSTL Scheme;

"Demerged Carved Out Undertaking" means the wireless telecom business undertaking of Demerged Company 2 that is proposed to be demerged and transferred to Demerged Company 1 pursuant to the Demerged Companies' Scheme, conducted in Madhya Pradesh (including Chhattisgarh), West Bengal, Bihar (including Jharkhand), Himachal Pradesh and Orissa comprising solely and exclusively of: (i) the Identified Assets 3 Carved Out; (ii) the Identified Liabilities 3 Carved Out; and (iii) the Identified Litigations as they relate to such business, together with: (i) all contracts relating to the Demerged Undertaking 3, but excluding at all times: (a) any contracts between Demerged Company 1 and/ or Demerged Company 2, on the one hand, and Reliance Infratel Limited or a member of the RCOM Group, on the other hand, to the extent they do not relate to the RCOM Specified Circles Sites; (b) any master service agreements and tower tenancy agreements to the extent they do not relate to the Transferred Tenancy Agreements relating to the sites identified in the Merger Agreement; and (c) any TS Contracts; and (ii) Transferred Employees relating to Demerged Carved Out Undertaking;

"Demerged Companies" means collectively, the Demerged Company 1 and the Demerged Company 2;

"Demerged Company 1" means Reliance Communications Limited, a public listed company incorporated under the Act under the corporate identity number L45309MH2004PLC147531 and having its registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India;

"Demerged Company 1 Additional Value" shall mean the aggregate of Demerged Company 1 Qualifying Capex, Cash/ Cash Equivalent and Qualifying Deferred Spectrum Payments;

"Demerged Company 1 Qualifying Capex" shall have the meaning ascribed to it in the Merger Agreement;

"Demerged Company 2" means Reliance Telecom Limited, a public company incorporated under the Act under the corporate identity number U32100MH1994PLC162841 and having its registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India;

"Demerged Company Material Adverse Change" means RCOM Material Adverse Change;

"Demerged Companies' Scheme" means the scheme of arrangement between the Demerged Company 1 and the Demerged Company 2 pursuant to the provisions of the Act for the demerger and transfer of the Demerged Carved Out Undertaking from the Demerged Company 2 to the Demerged Company 1 as approved by their respective Boards on 24 June 2016 and notified to the Stock Exchange on 24 June 2016;

"Demerged Undertakings" means collectively, the Demerged Undertaking 1, the Demerged Undertaking 2 and the Demerged Undertaking 3, including for the avoidance of doubt Demerged Company 1 Qualifying Capex, Qualifying Deferred Spectrum Payments and Cash/Cash Equivalent;

"Demerged Undertaking 1" means the wireless telecom business undertaking of the Demerged Company 1 as carried on at the Appointed Date (or where this Scheme requires otherwise, the relevant date of determination), conducted in Andhra Pradesh, Delhi, Gujarat, Karnataka, Maharashtra, Mumbai, Rajasthan and Tamil Nadu telecom circles, comprising solely and exclusively of: (i) the Identified Assets 1; (ii) the Identified Liabilities 1 and including the RCOM Assumed Debt; (iii) the RCOM Completion Cash Amount; and (iv) the shares in New Holdco and indirectly the shares of the Transferred Subsidiaries, together with: (i) all contracts relating to the Demerged Undertaking 1, but excluding at all times: (a) any contracts between Demerged Company 1 and/ or Demerged Company 2, on the one hand, and Reliance Infratel Limited or a member of the RCOM Group, on the other hand, to the extent they do not relate to the RCOM Specified Circles Sites; (b) any master service agreements and tower tenancy agreements to the extent they do not relate to the Transferred Tenancy Agreements relating to the sites identified in the Merger Agreement; and (c) any TS Contracts, (ii) the relevant Transferred Employees; (iii) the Identified IPR relating to the Demerged Undertaking 1; and (iv) in addition to other assets that are part of Demerged Undertaking 1 and to the extent not part of Demerged Undertaking 2, 1200 Huawei 1200 MHz Base Trans Receiver Stations. On and from the date on which the SSTL Scheme becomes effective, the Demerged Undertaking 1 shall also include the SSTL Business 1;

"Demerged Undertaking 2" means the wireless telecom business undertaking of the Demerged Company 1 as carried on at the Appointed Date (or where this Scheme requires otherwise, the relevant date of determination), conducted in Bihar (including Jharkhand), Haryana, Himachal Pradesh, Jammu and Kashmir, Kerala, Kolkata, Madhya Pradesh (including Chhattisgarh), Orissa, Punjab, Uttar Pradesh (East), Uttar Pradesh (West) and West Bengal telecom circles comprising solely and exclusively of: (i) the Identified Assets 2; (ii) the Identified Liabilities 2; together with: (i) all contracts relating to the Demerged Undertaking 2, but excluding at all times: (a) any contracts between the Demerged Company 1 and/ or the Demerged Company 2, on the one hand, and Reliance Infratel Limited or a member of the RCOM Group, on the other hand, to the extent they do not relate to the RCOM Specified Circles Sites; (b) any master service agreements and tower tenancy agreements to the extent they do not relate to the Transferred Tenancy Agreements relating to the sites identified in the Merger Agreement; and (c) any TS Contracts; (ii) the relevant Transferred Employees relating to Demerged Undertaking 2; and (iii) in addition to other assets that are part of Demerged Undertaking 1 and to the extent not part of Demerged Undertaking 2, 1200 Huawei 1200 MHz Base Trans Receiver Stations. On and from the date on which (i) the SSTL Scheme becomes effective, the Demerged Undertaking 2 shall also include the SSTL Business 2; and (ii) the Demerged Companies' Scheme becomes effective, the Demerged Undertaking 2 shall also include the Demerged Carved Out Undertaking;

"Demerged Undertaking 3" means the wireless telecom business undertaking of Demerged Company 2 as carried on at the Appointed Date (or where this Scheme requires otherwise, the relevant date of determination), conducted in Kolkata, Madhya Pradesh (including Chhattisgarh), West Bengal, Assam, Bihar (including Jharkhand), Himachal Pradesh, North East and Orissa telecom circles comprising solely and exclusively of: (i) the Identified Assets 3; and (ii) the Identified Liabilities 3; together with: (i) all contracts relating to the Demerged Undertaking 3, but excluding at all times: (a) any contracts between Demerged Company 1 and/ or Demerged Company 2, on the one hand, and Reliance Infratel Limited or a member of the RCOM Group, on the other hand, to the extent they do not relate to the RCOM Specified Circles Sites; (b) any master service agreements and tower tenancy agreements to the extent they do not relate to the Transferred Tenancy Agreements relating to the sites identified in the Merger Agreement; and (c) any TS Contracts; (ii) Transferred Employees and IPR relating to the Demerged Undertaking 3. Provided that upon the Demerged Companies Scheme coming into effect, the Demerged Undertaking 3 shall exclude the Demerged Carved Out Undertaking;

"DoT" means the Department of Telecommunications of the Ministry of Communications and Information Technology, Government of India, or any predecessor or successor body;

"Effective Date" means the day on which all of the conditions specified in Clause 42 (Conditions Precedent) of this Scheme are complied with;

"Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-

emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, Transfer, receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **"Encumber"** shall be construed accordingly;

"Excluded Assets" means any asset of the Demerged Companies, the New Holdco or the Transferred Subsidiaries which is not an Identified Asset, and, for the avoidance of doubt, shall include: (a) all assets relating to the CDMA Business; (b) any CENVAT credit acquired by Demerged Company 1 from SSTL under the SSTL Scheme; and (c) any IT related assets not specifically included in "SSTL Assets", and acquired by Demerged Company 1 from SSTL under the SSTL Scheme;

"Excluded Employees" means all employees of the Demerged Companies, that are not Transferred Employees;

"Excluded IPR" means IPR other than Identified IPR;

"Excluded Liabilities" means:

(a) any and all liabilities relating to the Excluded Assets (including for the avoidance of doubt costs arising from the termination of the CDMA Business), Excluded Employees, Excluded IPR or Excluded Litigations;

(b) any obligation or liability not predominantly relating to the Demerged Undertakings;

(c) any and all RCOM Direct Tax Liabilities;

(d) any and all RCOM Excluded Regulatory Liabilities;

(e) any and all RCOM Excluded Indirect Tax Liabilities;

(f) any and all RCOM Excluded Third Party Liabilities;

(g) any liabilities of the Demerged Companies to Reliance Infratel Limited, any of their respective shareholders or any of their respective Affiliates;

(h) any and all liabilities arising as a result of surrender of 900 MHz 2G spectrum in the circles of Assam, North East, Bihar, West Bengal and Orissa and the resulting shutdown and/or exit from certain towers, including any site tenancy lease termination costs;

(i) any and all liabilities arising as a result of the bank guarantee provided by Axis or any other bank guarantee relating to the Option Agreements, save and except the bank guarantee to DoT relating to OTSC that is required to be replaced by the bank guarantee to be given by Aircel to DoT as per applicable DoT guidelines;

(j) any liability of SSTL relating to IP Colo penalties;

(k) any liabilities of the Demerged Company 1 pursuant to an earn out deed dated 2 November 2015 between Demerged Company 1, SSTL and STA Capital LLC;

(l) any IT related liabilities or other liabilities not specifically included in "SSTL Liabilities" acquired by the Demerged Company 1from SSTL under the SSTL Scheme;

"Excluded Litigations" means all actions and legal proceedings involving any member of the Demerged Companies, New HoldCo or any Transferred Subsidiary other than the Identified Litigations;

"GAAP" means the accounting standards and principles as applicable in India and as issued by the Ministry of Corporate Affairs, Government of India ("Notified Accounting Standards") and in effect as of the Effective Date and where there is no specific guidance given by the Notified Accounting Standards, guidance given in any pronouncement issued by the Institute of Chartered Accountants of India;

"GCSHL" means Global Communication Services Holding Limited, a company incorporated under the laws of Mauritius, with registration number BRN C14014292, and having its registered offices at c/o AXIS Fiduciary Limited, 2nd Floor, The AXIS, 26 Cybercity, Ebene 72201, Republic of Mauritius;

"High Court" means the High Court(s) having jurisdiction over the Transferor Companies, the Demerged Companies and the Resulting Companies, as the case may be and shall include the relative bench of the National Company Law Tribunal having jurisdiction over them;

"Identified IPR" means the IPR listed as part of the Identified Assets in the Merger Agreement and on and from the date on which the SSTL Scheme becomes effective, shall also include the IPR acquired from SSTL in accordance with the SSTL Scheme;

"Identified Assets" means collectively, Identified Assets 1, Identified Assets 2 and Identified Assets 3;

"Identified Assets 1" means the assets of the Demerged Company 1 that form part of the Demerged Undertaking 1, and are to be transferred by Demerged Company 1 to the Resulting Company 1 pursuant to this Scheme, including but not limited to the categories of which are set out in **Part A** of **Part 1** of **Schedule 1,** and shall on and from the date on which the SSTL Scheme becomes effective, the Identified Assets 1 shall also include the SSTL Assets pertaining to Demerged Undertaking 1. For the avoidance of doubt, any 2016 Spectrum acquired by Demerged Company 1 or any member of the RCOM Group in relation to telecom circles forming part of Demerged Undertaking 1 shall be an Identified Assets 1;

"Identified Assets 2" means the assets of Demerged Company 1 that form part of the Demerged Undertaking 2, and are to be transferred by Demerged Company 2 to the Resulting Company 2 pursuant to this Scheme, including but not limited to the categories of which are set out in **Part B** of **Part 1** of **Schedule 1**. For the avoidance of doubt, any 2016 Spectrum acquired by Demerged Company 1 or any member of the RCOM Group in relation to telecom circles forming part of Demerged Undertaking 2 shall be an Identified Assets 2. On and from the date on which: (a) the SSTL Scheme becomes effective, the Identified Assets 2 shall also include the SSTL Assets pertaining to Demerged Undertaking 2; and (b) the Demerged Companies Scheme becomes effective, the Identified Assets 2 shall also include the Identified Assets 3 Carved Out;

"Identified Assets 3" means the assets of Demerged Company 2 that form part of the Demerged Undertaking 3, and are to be transferred by Demerged Company 2 to the Resulting Company 2 pursuant to this Scheme, including but not limited to the categories of which are set out in **Part C** of **Part 1** of **Schedule 1**. For the avoidance of doubt, any 2016 Spectrum acquired by Demerged Company 2 or any member of the RCOM Group in relation to telecom circles forming part of Demerged Undertaking 3 shall be an Identified Assets 3. Provided that upon the Demerged Companies Scheme coming into effect, Identified Assets 3 shall exclude Identified Asset 3 Carved Out. On and from the date on which the SSTL Scheme becomes effective, the Identified Assets 2 shall also include the SSTL Assets pertaining to Demerged Undertaking 2;

"Identified Assets 3 Carved Out" means the assets of the Demerged Company 2 that are to be transferred to Demerged Company 1 pursuant to the Demerged Companies' Scheme that set out in **Part D** of **Part 1** of **Schedule 1**;

"Identified Liabilities" means collectively, Identified Liabilities 1, Identified Liabilities 2 and Identified Liabilities 3;

"Identified Liabilities 1" means the obligations and liabilities of the Demerged Company 1 that form part of the Demerged Undertaking 1 and are to be novated to or assumed by the Resulting Company 1, pursuant to this Scheme, including but not limited to the categories of which are set out in **Part A** of **Part 2** of **Schedule 1**, and shall: (i) on and from the date on which the SSTL Scheme becomes effective, include the SSTL Liabilities pertaining to Demerged Undertaking 1; and (ii) include deferred Spectrum liabilities in respect of the 2016 spectrum acquired by Demerged Company 1 or any member of the RCOM Group in relation to telecom circles forming part of Demerged Undertaking 1, if any;

"Identified Liabilities 2" means the obligations and liabilities of the Demerged Company 1 that form part of the Demerged Undertaking 2 and are to be novated to or assumed by the Resulting Company 2, pursuant to this Scheme, including but not limited to the categories of which are set out in **Part B** of **Part 2** of **Schedule 1**, and shall: (i) on and from the date on which the SSTL Scheme becomes effective, include the SSTL Liabilities pertaining to Demerged Undertaking 2; and (ii) include deferred Spectrum liabilities in respect of the 2016 spectrum acquired by Demerged Company 1 or any member of the RCOM Group in relation to telecom circles forming part of Demerged Undertaking 2, if any;

"Identified Liabilities 3" means the obligations and liabilities of the Demerged Company 2 that form part of the Demerged Undertaking 3 and are to be novated to or assumed by the Resulting Company 2, pursuant to this Scheme, including but not limited to the categories of which are set out in **Part C** of **Part 2** of **Schedule 1**, and shall: (i) on and from the date on which the SSTL Scheme becomes effective, include the SSTL Liabilities pertaining to Demerged Undertaking 3; and (ii) include deferred Spectrum liabilities in respect of the 2016 spectrum acquired by Demerged Company 2 or any member of the RCOM Group in relation to telecom circles forming part of Demerged Undertaking 3, if any;

"Identified Liabilities 3 Carved out" means the obligations and liabilities of the Demerged Company 2 that form part of the Demerged Carved Out Undertaking and are to be novated to or assumed by the Demerged Company 1, pursuant to this Demerged Companies Scheme, including but not limited to the categories of which are set out in **Part D** of **Part 2** of **Schedule 1**;

"Identified Litigations" means any and all actions, arbitrations, litigations, proceedings, demands, enquiries, notices and claims in relation to the Demerged Undertakings as identified pursuant to the Merger Agreement;

"Indebtedness" means any of the following: (a) any indebtedness for borrowed money, (b) any obligation evidenced by bonds, debentures, notes or other similar instruments, except trade accounts payable and other current liabilities arising in the Ordinary Course of Business, (c) any guarantee of any of the foregoing, in each case, that has a term of 12 months or more and is capable of being repaid or discharged, and (d) to the extent reflected in the current liabilities section of a Party's accounts, the current portion of any of the indebtedness listed in sub-paragraphs (a), (b) or (c) above;

"INR" means Indian Rupee, the lawful currency of the Republic of India;

"IPR" means all inventions (whether patentable or not), patents, utility models, petty patents, registered designs, design rights, database rights, copyright and related rights, moral rights, semiconductor topography rights, plant variety rights, service marks, logos, get up, trade names, business names, domain names, trademarks (in each case whether registered or unregistered) and including any applications for registration and any renewals or extensions of any of the foregoing, and, in each case, the goodwill attaching to any of the foregoing, rights to sue for passing off or for unfair competition, and any rights or forms of protection of a similar nature or having equivalent or similar effect to any of them which subsist anywhere in the world;

"Liberalisation Costs" shall mean the liberalisation fee that will be payable at or immediately prior to the Effective Date in accordance with the "Guidelines for Liberalisation of Administratively Allocated Spectrum" in the 800 MHz band and the 1800 MHz band dated 5 November 2015, issued by the DoT, and in satisfaction of the Condition Precedent set out in Clause 42.1.5;

"Merger Agreement" means the framework merger agreement dated 14 September 2016, entered into between the Demerged Companies, the Resulting Companies, Transferor Company 1, Transferor Company 2, GCSHL, SSIPL, the Transferred Subsidiaries and the New HoldCo;

"New HoldCo" means Aircom Holdco B.V., a company incorporated in the Netherlands with establishment number (vestigingsnummer) 000035108371 and its registered office (Bezoekadres) at Haaksbergweg 71, 1101BR Amsterdam, the Netherlands;

"New Holdco Reorganisation" means the internal reorganisation to be undertaken by the Demerged Company 1 and its relevant subsidiaries before the Effective Date in such manner as may be agreed in writing between GCSHL and the Demerged Company 1 so that: (a) the shares in the Transferred Subsidiaries are held by the New Holdco immediately before the Effective Date; (b) the shares in New Holdco are held by Demerged Company 1 immediately before the Effective Date; and (c) any Excluded Assets previously held by the Transferred Subsidiaries (if any) are not, immediately before the Effective Date, owned or held by such Transferred Subsidiaries;

"Parties" shall mean collectively the Resulting Companies, the Demerged Companies, GCSH, the Transferor Companies, SSIPL, the Transferred Subsidiaries and New Holdco, and "Party" shall mean each of them, individually;

"Permits" means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;

"Qualifying Deferred Spectrum Payments" means the instalments paid to the DoT by the Demerged Companies or Resulting Company 1, as the case may be, during the period specified in the Merger Agreement, in respect of the spectrum for which notices inviting applications were issued in 2013 and 2014;

"RCOM Assumed Debt" means, as at the Effective Date, Indebtedness of Demerged Company 1 identified in accordance with the Merger Agreement, which Indebtedness, together with accrued interest, any break fees, repayment costs and other charges with respect to the discharge of such Indebtedness, would be discharged in full by the payment to the relevant creditors at Effective Date of: (a) INR 140,000,000,000 (Indian Rupees One hundred and forty Billion); or (b) such amount lower than 140,000,000,000 (Indian Rupees One hundred and forty Billion) as Demerged Company 1 may elect and notify to Resulting Company in accordance with the Merger Agreement. The RCOM Assumed Debt shall form part of the Demerged Undertaking 1;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"Remaining Business" means all the business, units, divisions, and their respective assets and liabilities including, Excluded Assets, Excluded Employees, Excluded IPR, Excluded Liabilities and Excluded Litigation of the Demerged Companies, other than those forming part of the Demerged Undertakings;

"Resulting Companies" means collectively, the Resulting Company 1 and the Resulting Company 2;

"Resulting Company 1" or **"Transferee Company"** means Aircel Limited, a company incorporated in under the Companies Act, 1956 under the corporate identity number U32201MH1994PLC284030, having its registered office at Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (E), Mumbai, Maharashtra - 400093;

"Resulting Company 2" means Dishnet Wireless Limited, a company incorporated in under the Companies Act, 1956 under the corporate identity number U74999MH1998PLC283931 having its registered office at Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (E), Mumbai, Maharashtra - 400093;

"Resulting Company Material Adverse Change" means an Aircel Material Adverse Change;

"Resulting Company 1 RPS" means INR 80,915,272,000 (Indian Rupees eighty billion nine hundred fifteen million and two hundred seventy two thousand) redeemable cumulative non-convertible preference shares of face value INR 10, issued by the Resulting Company 1 to GCSHL.

"Resulting Company 1 Shareholder Loans" means shareholder debts of the Resulting Company 1, aggregating to INR 262,540,468,625 (Indian Rupees two hundred sixty two billion five hundred forty million four hundred sixty eight thousand and six hundred twenty five) and shall include: (a) a book debt of INR 229,370,968,625 (Indian Rupees two hundred twenty nine billion three hundred seventy million nine hundred sixty eight thousand and six hundred twenty five), or such other amount of book debt that may exist on the Effective Date in the records of the Resulting Company 1; and (b) Indian Rupee denominated bonds aggregating to INR 33,169,500,000 (Indian Rupees thirty three billion one hundred sixty nine million and five hundred thousand), or such other amount of Indian Rupee denominated bonds, issued by the Resulting Company 1 as of the Effective Date; and shall include any interest or coupons payable in respect of such debts;

"Resulting Company 1 SHL Lenders" means the lenders to whom the Resulting Company 1 Shareholder Loans are owed as on the Effective Date;

"RPS Converted Equity Shares" means 8,091,527,200 (eight billion ninety one million five hundred twenty seven thousand two hundred) fully paid up equity shares of INR 10 each of the Resulting Company 1 issued and allotted as provided in Clause 30.1;

"RoC" means the relevant Registrar of Companies;

"Scheme" means this Scheme of Arrangement, with or without any modification approved or imposed or directed by the High Court;

"SEBI" means the Securities and Exchange Board of India;

"SHL Converted Equity Shares" means 26,254,046,862 (twenty six billion two hundred and fifty four million forty six thousand eight hundred sixty two) fully paid up equity shares of INR 10 each of the Resulting Company 1 issued and allotted as provided in Clause 33.1;

"Stock Exchanges" means BSE Limited **("BSE")** and National Stock Exchange of India Limited **("NSE")** where the shares of the Demerged Company 1 are listed;

"SSIPL" means Sindya Securities & Investments Private Limited, a private limited company incorporated under the laws of India, with corporate identity number U67120TN2006PTC058605 and having its registered office at 5th Floor, Lakshmi Bhawan No. 609, Mount Road, Chennai Tamil Nadu 600006, Republic of India;

"SSTL" means Sistema Shyam Teleservices Limited, a company incorporated under the laws of India having corporate identification number U64201RJ1995PLC017779 with its registered office at MTS Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021, Rajasthan, India;

"SSTL Assets" means the spectrum held by SSTL that forms part of the SSTL Business and acquired by Demerged Company 1, and the microwave supporting frequencies and their associated NMS, software and licences being allocated or transferred to Demerged Company 1 on and from the date on which the SSTL Scheme becomes effective, excluding for the avoidance of doubt, any site tenancy agreements and any other assets of SSTL that exclusively form part of the SSTL CDMA Business;

"SSTL Business" means collectively the SSTL Business 1 and the SSTL Business 2;

"SSTL Business 1" means the wireless telecom business undertaking of Demerged Company 1 comprising of SSTL Assets and SSTL Liabilities to be acquired by Demerged Company 1 from SSTL pursuant to the SSTL Scheme, conducted in Delhi, Gujarat, Karnataka, Rajasthan and Tamil Nadu telecom circles, together with the relevant contracts and SSTL Employees pertaining to those telecom circles, and all SSTL IPR;

"SSTL Business 2" means the wireless telecom business undertaking comprising of SSTL Assets and SSTL Liabilities to be acquired by Demerged Company 1 from SSTL pursuant to the SSTL Scheme, conducted in Kerala, Kolkata, Uttar Pradesh (West) and West Bengal telecom circles, together with the relevant contracts and SSTL Employees pertaining to those telecom circles;

"SSTL CDMA Business" means the Code Division Multiple Access business acquired by Demerged Companies under the SSTL Scheme;

"SSTL Employees" means the employees to be transferred to Demerged Company 1 pursuant to the SSTL Scheme, excluding for the avoidance of doubt any employees working exclusively in the CDMA Business;

"SSTL IPR" means the IPR listed as part of the SSTL Assets in the SSTL Scheme and transferred to Demerged Company by SSTL on the date on which the SSTL Scheme becomes effective in accordance with the SSTL Scheme;

"SSTL Scheme" means the scheme of arrangement entered into between the Demerged Company 1, SSTL and their respective shareholders and creditors, approved by their respective board of directors on 2 November 2015;

"SSTL Liabilities" means the liabilities of SSTL relating to the SSTL Assets and to be acquired by Demerged Company 1 on the date on which the SSTL Scheme becomes effective, excluding for the avoidance of doubt any liabilities relating to the SSTL CDMA Business;

"Taxation" or **"Tax"** means all forms of taxation and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whenever and wherever imposed and whether chargeable directly or primarily against or attributable directly or

primarily to Demerged Company 1 or Demerged Company 2 or any other Person and all penalties, charges, costs and interest relating thereto;

"Transfer" means to transfer, sell, convey, assign, pledge, hypothecate, create a security interest in or Encumbrance on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily, and **"Transferring"** and **"Transferred"** have corresponding meanings

"Transferred Employees" means all employees of the Demerged Companies engaged in the Demerged Undertakings that will be transferred pursuant to this Scheme;

"Transferred Subsidiaries" shall mean collectively, Reliance Communication Inc., Reliance Communication International Inc., Reliance Communications Canada Inc., Reliance Communications (Hong Kong) Limited and Reliance Communications (UK) Limited. "Transferred Subsidiary" shall mean any one of the Transferred Subsidiaries;

"Transferor Companies" means collectively the Transferor Company 1 and the Transferor Company 2;

"Transferor Company 1" means Deccan Digital Networks Private Limited, a private company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. U64202DL2006PTC144852 and having its registered office at 13, Abul Fazal Road, Bengali Market, New Delhi – 110001, India;

"Transferor Company 2" means South Asia Communications Private Limited, a private company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. U72900DL2006PTC146401 and having its registered office at 13 Abul Fazal Road, Bengali Market New Delhi;

"Transferor Company 1 RPS" means 1,644,594,517 (one billion six hundred forty four million five hundred ninety four thousand five hundred and seventeen) redeemable cumulative non-convertible preference shares of face value INR 10 each issued to Transferor Company 2 by Transferor Company 1;

"Transferor Undertaking 1" means the Undertaking belonging to Transferor Company 1;

"Transferor Undertaking 2" means the Undertaking belonging to Transferor Company 2;

"TS Contract" means all contracts of New Holdco or the Transferred Subsidiaries in existence at Completion that relate exclusively to the Demerged Undertakings, but to which no member of the RCOM Group (other than New Holdco and/or one or more Transferred Subsidiaries) is a party;

"Undertaking" shall mean and include the entire business, all the undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Transferor Company 1 or the Transferor Company 2, as the case may be, on a going concern basis, together with all its assets and liabilities and shall include (without limitation), but to the extent applicable:

(a) All the assets and properties (whether movable or immovable, tangible or intangible, in possession or reversion, corporeal or incorporeal, present, future or contingent), whether situated in India or abroad, including but not limited to machinery, generator sets, equipment, capital work-in-progress, office equipment, computers, appliances, accessories, stocks and inventory, leasehold assets and other properties, the cash in hand, amounts lying in the banks to the credit of the Transferor Company 1 or the Transferor Company 2, as the case may be, investments of all kinds (including shares, scrips, stocks, bonds, debentures stocks, units, or securities of all kind and nature), claims, powers, authorities, allotments, Permits, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, memoranda of understanding, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by Applicable Laws, licensee and licensor rights, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds,

and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counterparties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, Permits of whatsoever nature including but not limited to benefits of tax exemptions/benefits and/ or exemption entitlements, all tax holidays, tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, minimum alternate tax, etc. and under indirect taxes such as CENVAT credit, service tax credits, and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company 1 or the Transferor Company 2, as the case may be, as on the Effective Date;

(b) All agreements, rights, contracts (including but not limited to agreements with respect to immoveable and movable properties being used by, or under the power, possession or control of, the Transferor Company 1 or the Transferor Company 2, as the case may be, by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permissions, incentives, Permits, registrations, tax deferrals & exemptions and benefits, subsidies, income tax benefits and exemptions including the right to deduction under applicable provisions of the Income-tax Act, 1961 in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Effective Date out of the total period for which the deduction is available in Applicable Laws if the amalgamation pursuant to this Scheme does not take place, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1 or the Transferor Company 2, as the case may be, and all other Permits of every kind, nature and description whatsoever relating to business activities and operations of the Transferor Company 1 or the Transferor Company 2, as the case may be, and that may be required to carry on the operations of the Transferor Company 1 or the Transferor Company 2, as the case may be;

(c) Amounts claimed by the Transferor Company 1 or the Transferor Company 2, as the case may be, whether or not so recorded in the books of account of the Transferor Company 1 or the Transferor Company 2, as the case may be, from any third party, counterparty, Appropriate Authority, under any Applicable Laws, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

(d) All other obligations of whatsoever kind, including liabilities of the Transferor Company 1 or the Transferor Company 2, as the case may be, with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;

(e) All employees engaged by the Transferor Company 1 or the Transferor Company 2, as the case may be, at various locations;

(f) All the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company 1 or the Transferor Company 2, as the case may be, as on the Effective Date; and

(g) All books, records, files, papers, process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company 1 or the Transferor Company 2, as the case may be.

1.2 In this Scheme unless repugnant or contrary to the context or meaning thereof: (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iii)

all terms and words not defined in this Scheme but defined in the Merger Agreement shall have the meaning ascribed to it in the Merger Agreement.

1.3 In this Scheme, unless the context otherwise requires:

1.3.1 words denoting singular shall include plural and vice versa;

1.3.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.3.3 references to the word "include" or "including" shall be construed without limitation;

1.3.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.3.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;

1.3.6 Reference in this Scheme or the Merger Agreement to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date;

1.3.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

1.3.8 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them;

1.3.9 in the context of the "Demerged Undertaking 1", (a) the relevant Demerged Company shall mean the Demerged Company 1; (b) the relevant contracts shall mean the contracts relating to the Demerged Undertaking 1; (c) Identified Assets shall mean those assets relating to the Demerged Undertaking 1; (d) the Identified Liabilities shall mean the Identified Liabilities 1 and the RCOM Assumed Debt; and (e) the Identified Litigations shall mean Identified Litigations relating to the Demerged Undertaking 1;

1.3.10 in the context of "Demerged Undertaking 2", (a) the relevant Demerged Company shall mean Demerged Company 1; (b) the relevant contracts shall mean the contracts relating to the Demerged Undertaking 2; (c) Identified Assets shall mean those assets relating to the Demerged Undertaking 2; (d) the Identified Liabilities shall mean the Identified Liabilities 2; and (e) the Identified Litigations shall mean Identified Litigations relating to the Demerged Undertaking 2;

1.3.11 in the context of "Demerged Undertaking 3", (a) the relevant Demerged Company shall mean Demerged Company 2; (b) the relevant contracts shall mean the contracts relating to the Demerged Undertaking 3; (c) Identified Assets shall mean those assets relating to the Demerged Undertaking 3; (d) the Identified Liabilities shall mean the Identified Liabilities 3; and (e) the Identified Litigations shall mean the Identified Litigations relating to the Demerged Undertaking

2. SHARE CAPITAL

2.1 The share capital structure of the Demerged Company 1 as on 9 September 2016 is as follows:

	INR
Authorised Share Capital	
5,000,000,000 equity shares of INR 5 each	2,5000,000,000
Total	**2,5000,000,000**
Issued, Subscribed and Paid-up Capital	
2,488,979,745 equity shares of INR 5 each	12,444,898,725
Total	**12,444,898,725**

The equity shares of the Demerged Company 1 are listed on the Stock Exchanges and its global depository receipts are listed on the Luxembourg Stock Exchange. The issued and paid-up share capital includes 10,355,247 (ten million three hundred and fifty five thousand two hundred and forty seven) equity shares represented by the global depository receipts as on 9 September 2016. Subsequent to 9 September 2016, as on the date of this Scheme being approved by the Board of the Demerged Company 1, there is no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company 1.

2.2. The share capital structure of the Demerged Company 2 as on 9 September 2016 is as follows:

	INR
Authorised Share Capital	
120,000,000 equity shares of INR 10 each	120,00,00,000
100,000,000 preference shares of INR 10 each	100,00,00,000
280,000,000 unclassified shares of INR 10 each	280,00,00,000
Total	**500,00,00,000**
Issued, Subscribed and Paid-Up	
85,000,000 equity shares of INR 10 each	85,00,00,000
45,000,000 non-convertible, non-cumulative, redeemable preference shares of INR 10 each fully paid	45,00,00,000
13,477,000 redeemable, non-cumulative, non-convertible preference shares of INR 10 each fully paid	13,47,70,000
Total	**143,47,70,000**

The Demerged Company 2 is a wholly owned subsidiary of the Demerged Company 1. The equity shares of the Demerged Company 2 are not listed on any recognised stock exchange in India or elsewhere. Subsequent to 9 September 2016, as on the date of this Scheme being approved by the Board of the Demerged Company 2, there is no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company 2.

2.3. The share capital structure of the Transferor Company 1 as on 9 September 2016 is as follows:

	INR
Authorised Share Capital	
300,000,000 equity shares of INR 10 each	3,000,000,000
2,000,000,000 redeemable cumulative non-convertible preference shares of INR 10 each	20,000,000,000
Total	**23,000,000,000**
Issued, Subscribed and Paid-up Capital	
46,000,000 equity shares of INR 10 each	460,000,000
1,644,594,517 redeemable cumulative non-convertible preference shares of INR 10 each	16,445,945,170
Total	**16,905,945,170**

The equity shares of the Transferor Company 1 are not listed on any recognised stock exchange in India or elsewhere. Subsequent to 9 September 2016, as on the date of this Scheme being approved by the Board of the Transferor Company 1, there is no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company 1.

2.4. The share capital structure of the Transferor Company 2 as on 9 September 2016 is as follows:

	INR
Authorised Share Capital	
300,000,000 equity shares of INR 10 each	3,000,000,000
2,000,000,000 redeemable cumulative non-convertible preference shares of INR 10 each	20,000,000,000
Total	**23,000,000,000**
Issued, Subscribed and Paid-up Capital	
6,217,278 equity shares of INR 10 each	62,172,780
1,644,461,328 redeemable cumulative non-convertible preference shares of INR 10 each	16,444,613,280
Total	**16,506,786,060**

The equity shares of the Transferor Company 2 are not listed on any recognised stock exchange in India or elsewhere. Subsequent to 9 September 2016, as on the date of this Scheme being approved by the Board of the Transferor Company 2, there is no change in authorized, issued, subscribed and paid-up equity share capital of the Transferor Company 2.

2.5. The share capital structure of the Resulting Company 1 as on 9 September 2016 is as follows:

	INR
Authorised Share Capital	
5,000,000,000 equity shares of INR 10 each	50,000,000,000
15,000,000,000 redeemable cumulative non-convertible preference shares of INR 10 each	150,000,000,000
Total	**200,000,000,000**
Issued, Subscribed and Paid-up Capital	
243,243,243 equity shares of INR 10 each	2,432,432,430
8,091,527,200 redeemable cumulative non-convertible preference shares of INR 10 each	80,915,272,000
Total	**83,347,704,430**

The equity shares of the Resulting Company 1 are not listed on any recognised stock exchange in India or elsewhere. Subsequent to 9 September 2016, as on the date of this Scheme being approved by the Board of the Resulting Company 1, there is no change in the authorized, issued, subscribed and paid-up equity share capital of the Resulting Company 1.

2.6. The share capital structure of the Resulting Company 2 as on 9 September 2016 is as follows:

	INR
Authorised Share Capital	
75,000,000 equity shares of INR 10 each	750,000,000
2,000,000,000 redeemable cumulative non-convertible preference shares of INR 10 each	20,000,000,000
Total	**20,750,000,000**
Issued, Subscribed and Paid-up Capital	
29,798,130 equity shares of INR 10 each	297,981,300
1,608,817,590 redeemable cumulative non-convertible preference shares of INR 10 each	16,088,175,900
Total	**16,386,157,200**

The Resulting Company 2 is a wholly owned subsidiary of the Resulting Company 1. The equity shares of the Resulting Company 2 are not listed on any recognised stock exchange in India or elsewhere. Subsequent to 9 September 2016, as on the date of this Scheme being approved by the Board of the Resulting Company 2, there is no change in the authorized, issued, subscribed and paid-up equity share capital of the Resulting Company 2.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1. This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the High Court or made as per Clause 41 of this Scheme, shall become operative and effective from the Effective Date.

3.2. Without prejudice to the aforesaid and notwithstanding anything contained in this Scheme, in order to ensure compliance with the requirements of Foreign Exchange Management Act, 1999 including the foreign direct investment policy thereto:

3.2.1 the actions set out in Part VI of this Scheme shall precede the actions set out in all other Parts of this Scheme;

3.2.2 the actions set out in Part II of this Scheme shall precede the actions set out in Part III, Part IV and Part V of this Scheme;

3.2.3 the actions set out in Part III of this Scheme shall precede the actions set out in Part IV and Part V of this Scheme; and

3.2.4 the actions set out in Part IV of this Scheme shall precede the actions set out in Part V of this Scheme.

PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKINGS

SECTION I: DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 1

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 1

4.1. With effect from the Effective Date, pursuant to the provisions of Sections 391 to 394 of the Act and all other provisions of the Act, the Demerged Undertaking 1 will be demerged and transferred from the Demerged Company 1 and be transferred and vested unto the Resulting Company 1, without any further act, deed or matter, on a going concern basis, such that the Demerged Undertaking 1 shall without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, licenses, Permits, registrations, quotas, allocations, investments and liabilities of the Resulting Company 1 simply by virtue of approval of this Scheme and in the manner provided in this Scheme.

4.2. Without prejudice to the generality of Clause 4.1 above and upon coming into effect of this Scheme the entire business and undertaking of the Demerged Undertaking 1, including the properties, claims, title, interest, assets of whatsoever nature such as Permits relating to the Demerged Undertaking 1 and all other right, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and where-so-ever situated and forming part of the Identified Assets 1, be and shall stand transferred to and vested in the Resulting Company 1 as a going concern pursuant to the provisions of Section 394 of the Act, and other applicable provisions, if any, of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act or deed or instrument and subject to the manner contemplated in this Scheme for the vesting of certain Identified Assets 1 and assumption of certain Identified Liabilities 1, comprised in the Demerged Undertaking 1.

4.3. In respect of such of the assets and properties forming part of the Identified Assets 1 pertaining to the Demerged Undertaking 1 as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Demerged Company 1 upon coming into

effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company 1.

4.4. In respect of assets other than those dealt with in Clause 4.3 above and forming part of the Identified Assets 1, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Demerged Undertaking 1, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Resulting Company 1 without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company 1 to recover or realise the same stands transferred to the Resulting Company 1.

4.5. The Demerged Company 1 shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company 1 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes and the Demerged Company 1 shall provide all necessary assistance required in this regard to the Resulting Company 1.

4.6. Upon the coming into effect of this Scheme, the Identified Liabilities 1 exclusively relating to the Demerged Undertaking 1 which arose out of the activities or operations of the Demerged Undertaking 1 and which are more particularly set out in in **Part A** of **Part 2** of **Schedule 1** shall without any further act or deed be and stand transferred to and vested in the Resulting Company 1 and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company 1.

4.7. All the Identified Assets 1 and the Identified Liabilities 1 of the Demerged Undertaking 1, as set out in **Part A** of **Part 1** of **Schedule 1** and **Part A** of **Part 2** of **Schedule 1**, respectively, shall be deemed to be transferred on the Effective Date, for the consideration provided in Clause 19, in the manner set out in this **Section I**.

4.8. In accordance with the MODVAT/CENVAT/VAT rules framed under the Central Excise Act, 1944, or relevant state legislation, as prevalent, the unutilized credit relating to excise duties and value added taxes paid on inputs/ capital goods lying to the account of the Demerged Undertaking 1, shall be permitted to be transferred to the credit of the Resulting Company 1. The Resulting Company 1 shall accordingly be entitled to set off all such credits against excise duty / applicable valued added tax payable by it.

5. PERMITS

5.1. With effect from the Effective Date, Permits relating to the Demerged Undertaking 1 shall be transferred to and vested in the Resulting Company 1 and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company 1 on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking 1 in the Resulting Company 1 and continuation of operations pertaining to the Demerged Undertaking 1 in the Resulting Company 1 without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company 1 without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company 1 as if the same were originally given by, issued to or executed in favour of the Resulting Company 1 and the Resulting Company 1 shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company 1. It is clarified that the demerger and transfer of Demerged Undertaking 1 from Demerged Company 1 to Resulting Company 1 is subject to receipt of written approval of the DoT and satisfaction of all the conditions stipulated in such approval of the DoT in the manner contemplated under Clause 42.1.5.

5.2. The benefit of all Permits pertaining to the Demerged Undertaking 1 shall without any other order to this effect, transfer and vest into and become available to the Resulting Company 1 pursuant to the sanction of this Scheme.

5.3. The Demerged Company 1 in relation to the Demerged Undertaking 1 may be entitled to various benefits incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking 1 shall stand transferred to and vested in the Resulting Company 1 and

all benefits, entitlements and incentives of any nature whatsoever including benefits under Tax, including the excise, sales tax, service tax, exemptions, concessions, remissions, and subsidies, to the extent statutorily available, shall be claimed by the Resulting Company 1. Provided however that any and all benefits, entitlements and incentives of any nature whatsoever relating to income tax shall not be transferred to the Resulting Company 1.

6. CONTRACTS

6.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments as set out under the Merger Agreement, in relation to the Demerged Undertaking 1, to which the Demerged Company 1 is a party and which is subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Resulting Company 1 and shall be binding on and be enforceable by and against the Resulting Company 1 as fully and effectually as if the Resulting Company 1 had at all material times been a party or beneficiary or oblige thereto. The Resulting Company 1 will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Provided however that and unless expressly provided in the Merger Agreement, the benefits conferred upon Demerged Company 1 under the SSTL FMA in relation to the Demerged Undertaking 1 shall be assigned to Resulting Company 1 and the SSTL FMA shall not be novated to Resulting Company 1.

6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking 1 occurs by virtue of this Scheme, the Resulting Company 1 may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof and the Merger Agreement, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company 1 is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. With effect from the Effective Date, the Resulting Company 1 shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company 1 to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company 1.

7. EMPLOYEES

7.1. Upon this Scheme coming into effect and with effect from the Effective Date, the Resulting Company 1 undertakes to engage all Transferred Employees relating to the Demerged Undertaking 1, identified in the manner as set out in the Merger Agreement, on terms and conditions that are no less favourable to such Transferred Employees than the corresponding terms of such Transferred Employees' contract of employment with the Demerged Company 1, as existing immediately prior to the date on which an offer of employment was made to such Transferred Employees by the Resulting Company 1, without any interruption of service as a result of transfer of the Demerged Undertaking 1 to the Resulting Company 1. The Resulting Company 1 agrees that the period of services of all such Transferred Employees with the Demerged Company 1 prior to the Effective Date shall be taken into account for the purposes of all benefits of the Resulting Company 1 to which the said Transferred Employees may be eligible, including for the purpose of payment of any remuneration or contracts or statutory benefits, incentive plans, retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Transferred Employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company 1 and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company 1.

7.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Transferred Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company 1. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Resulting Company 1, the existing trusts created for such funds by the Demerged Company 1 shall stand dissolved.

7.3. It is clarified that save as expressly provided for in this Scheme, the Transferred Employees who become employees of the Resulting Company 1 by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Resulting Company 1, unless otherwise determined by the Resulting Company 1. The Resulting Company 1 undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Demerged Company 1 with any union/ Transferred Employee of the Demerged Company 1.

8. LEGAL PROCEEDINGS

8.1 Upon the coming into effect of this Scheme, Identified Litigations relating to the Demerged Undertaking 1 shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company 1 with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company 1.

8.2 The Resulting Company 1: (a) shall be replaced/ added as party to such Identified Litigations relating to the Demerged Undertaking 1; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company 1 shall consequently stand nullified.

8.3 It is clarified that except, as otherwise provided herein or the Merger Agreement, the Demerged Company 1 shall in no event be responsible or liable in relation to any Identified Litigations relating to the Demerged Undertaking 1 that stand transferred to the Resulting Company 1.

SECTION II: DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 2

9. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 2

9.1. With effect from the Effective Date, pursuant to the provisions of Sections 391 to 394 of the Act and all other provisions of the Act, the Demerged Undertaking 2 will be demerged and transferred from the Demerged Company 1 and be transferred and vested unto the Resulting Company 2, without any further act, deed or matter, on a going concern basis, such that the Demerged Undertaking 2 shall without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, licenses, Permits, registrations, quotas, allocations, investments and liabilities of the Resulting Company 2 simply by virtue of approval of this Scheme and in the manner provided in this Scheme.

9.2. Without prejudice to the generality of Clause 9.1 above and upon coming into effect of this Scheme the entire business and undertaking of the Demerged Undertaking 2, including the properties, claims, title, interest, assets of whatsoever nature such as Permits relating to the Demerged Undertaking 2 and all other right, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and where-so-ever situated and forming part of the Identified Assets 2, be and shall stand transferred to and vested in the Resulting Company 2 as a going concern pursuant to the provisions of Section 394 of the Act, and other applicable provisions, if any, of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act or deed or instrument and subject to the manner contemplated in this Scheme for the vesting of certain Identified Assets 2 and assumption of certain Identified Liabilities 2, comprised in the Demerged Undertaking 2.

9.3. In respect of such of the assets and properties forming part of the Identified Assets 2 pertaining to the Demerged Undertaking 2 as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Demerged Company 1 upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company 2.

9.4. In respect of assets other than those dealt with in Clause 9.3 above and forming part of the Identified Assets 2, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Demerged Undertaking 2, whether recoverable in cash or in kind or for value to be received, the same shall

stand transferred to and vested in the Resulting Company 2 without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company 1 to recover or realise the same stands transferred to the Resulting Company 2.

9.5. The Demerged Company 1 shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company 2 and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes and the Demerged Company 1 shall provide all necessary assistance required in this regard to the Resulting Company 2.

9.6. Upon the coming into effect of this Scheme, the Identified Liabilities 2 exclusively relating to the Demerged Undertaking 2 which arose out of the activities or operations of the Demerged Undertaking 2 and which are more particularly set out in **Part B** of **Part 2** of **Schedule 1** shall without any further act or deed be and stand transferred to and vested in the Resulting Company 2 and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company 2.

9.7. All the Identified Assets 2 and the Identified Liabilities 2 of the Demerged Undertaking 2, as set out in **Part B** of **Part 1** of **Schedule 1** and **Part B** of **Part 2** of **Schedule 1**, respectively, shall be deemed to be transferred on the Effective Date, for the consideration provided in Clause 19, in the manner set out in this **Section II**.

9.8. In accordance with the MODVAT/CENVAT/VAT rules framed under the Central Excise Act, 1944, or relevant state legislation, as prevalent, the unutilized credit relating to excise duties and value added taxes paid on inputs/ capital goods lying to the account of the Demerged Undertaking 2, shall be permitted to be transferred to the credit of the Resulting Company 2. The Resulting Company 2 shall accordingly be entitled to set off all such credits against excise duty / applicable valued added tax payable by it.

10. PERMITS

10.1. With effect from the Effective Date, the Permits relating to Demerged Undertaking 2 shall be transferred to and vested in the Resulting Company 2 and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company 2 on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking 2 in the Resulting Company 2 and continuation of operations pertaining to the Demerged Undertaking 2 in the Resulting Company 2 without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company 2 without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company 2 as if the same were originally given by, issued to or executed in favour of the Resulting Company 2 and the Resulting Company 2 shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company 2. It is clarified that the demerger and transfer of Demerged Undertaking 2 from Demerged Company 1 to Resulting Company 2 is subject to receipt of written approval of the DoT and satisfaction of all the conditions stipulated in such approval of the DoT in the manner contemplated under Clause 42.1.5.

10.2. The benefit of all Permits pertaining to the Demerged Undertaking 2 shall without any other order to this effect, transfer and vest into and become available to the Resulting Company 2 pursuant to the sanction of this Scheme.

10.3. The Demerged Company 1 in relation to the Demerged Undertaking 2 may be entitled to various benefits incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking 2 shall stand transferred to and vested in the Resulting Company 2 and all benefits, entitlements and incentives of any nature whatsoever including benefits under Tax, including the excise, sales tax, service tax, exemptions, concessions, remissions, and subsidies, to the extent statutorily available, shall be claimed by the Resulting Company 2. Provided however that any and all benefits, entitlements and incentives of any nature whatsoever relating to income tax shall not be transferred to the Resulting Company 2.

11. CONTRACTS

11.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments as set out under the Merger Agreement, in relation to the Demerged Undertaking 2, to which the Demerged Company 1 is a party and which is subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Resulting Company 2 and shall be binding on and be enforceable by and against the Resulting Company 2 as fully and effectually as if the Resulting Company 2 had at all material times been a party or beneficiary or oblige thereto. The Resulting Company 2 will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Provided however that and unless expressly provided in the Merger Agreement, the benefits conferred upon Demerged Company 1 under the SSTL FMA in relation to the Demerged Undertaking 2 shall be assigned to Resulting Company 1 and the SSTL FMA shall not be novated to Resulting Company 1.

11.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking 2 occurs by virtue of this Scheme, the Resulting Company 2 may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof and the Merger Agreement, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company 1 is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. With effect from the Effective Date the Resulting Company 2 shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company 1 to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company 1.

12. EMPLOYEES

12.1. Upon this Scheme coming into effect and with effect from the Effective Date, the Resulting Company 2 undertakes to engage all Transferred Employees relating to Demerged Undertaking 2, and identified in the manner as set out in the Merger Agreement, on terms and conditions that are no less favourable to such Transferred Employees than the corresponding terms of such Transferred Employees' contract of employment with the Demerged Company 1, as existing immediately prior to the date on which an offer of employment was made to such Transferred Employees by the Resulting Company 1, without any interruption of service as a result of transfer of the Demerged Undertaking 2 to the Resulting Company 2. The Resulting Company 2 agrees that the period of services of all such Transferred Employees with the Demerged Company 1 prior to the Effective Date shall be taken into account for the purposes of all benefits of the Resulting Company 2 to which the said Transferred Employees may be eligible, including for the purpose of payment of any remuneration or contracts or statutory benefits, incentive plans, retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Transferred Employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company 2 and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company 2.

12.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Transferred Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company 1. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Resulting Company 2, the existing trusts created for such funds by the Demerged Company 1 shall stand dissolved.

12.3. It is clarified that save as expressly provided for in this Scheme, the Transferred Employees who become employees of the Resulting Company 2 by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Resulting Company 2, unless otherwise determined by the Resulting Company 2. The Resulting Company

2 undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Demerged Company 1 with any union/ Transferred Employees of the Demerged Company 1.

13. LEGAL PROCEEDINGS

13.1 Upon the coming into effect of this Scheme, Identified Litigations relating to the Demerged Undertaking 2 shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company 2 with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company 2.

13.2 The Resulting Company 2: (a) shall be replaced/added as party to such Identified Litigations relating to the Demerged Undertaking 2; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company 2 shall consequently stand nullified.

13.3 Except, as otherwise provided herein or the Merger Agreement, the Demerged Company 2 shall in no event be responsible or liable in relation to any Identified Litigations relating to the Demerged Undertaking 2 that stand transferred to the Resulting Company 2.

SECTION III: DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 3

14. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 3

14.1. With effect from the Effective Date, pursuant to the provisions of Sections 391 to 394 of the Act and all other provisions of the Act, the Demerged Undertaking 3 will be demerged and transferred from the Demerged Company 2 and be transferred and vested unto the Resulting Company 2, without any further act, deed or matter, on a going concern basis, such that the Demerged Undertaking 3 shall without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, licenses, Permits, registrations, quotas, allocations, investments and liabilities of the Resulting Company 2 simply by virtue of approval of this Scheme and in the manner provided in this Scheme.

14.2. Without prejudice to the generality of Clause 14.1 above and upon coming into effect of this Scheme the entire business and undertaking of the Demerged Undertaking 3, including the properties, claims, title, interest, assets of whatsoever nature such as Permits relating to the Demerged Undertaking 3 and all other right, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and where-so-ever situated and forming part of the Identified Assets 3, be and shall stand transferred to and vested in the Resulting Company 2 as a going concern pursuant to the provisions of Section 394 of the Act, and other applicable provisions, if any, of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act or deed or instrument and subject to the manner contemplated in this Scheme for the vesting of certain Identified Assets 3 and assumption of certain Identified Liabilities 3, comprised in the Demerged Undertaking 3.

14.3. In respect of such of the assets and properties forming part of the Identified Assets 3 pertaining to the Demerged Undertaking 3 as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Demerged Company 2 upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company 2.

14.4. In respect of assets other than those dealt with in Clause 14.3 above and forming part of the Identified Assets 3, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Demerged Undertaking 3, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Resulting Company 2 without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 of the Companies Act, 1956, read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company 2 to recover or realise the same stands transferred to the Resulting Company 2.

14.5. The Demerged Company 2 shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Resulting Company 2 and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes and the Demerged Company 2 shall provide all necessary assistance required in this regard to the Resulting Company 2.

14.6. Upon the coming into effect of this Scheme, the Identified Liabilities 3 exclusively relating to the Demerged Undertaking 3 which arose out of the activities or operations of the Demerged Undertaking 3 and which are more particularly set out in **Part C** of **Part 2** of Schedule 1 shall without any further act or deed be and stand transferred to and vested in the Resulting Company 2 and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company 2.

14.7. All the Identified Assets 3 and the Identified Liabilities 3 of the Demerged Undertaking 3, as set out in **Part C** of **Part 1** of **Schedule 1** and **Part C** of **Part 2** of **Schedule 1**, respectively, shall be deemed to be transferred on the Effective Date, for the consideration provided in Clause 19, in the manner set out in this **Section III**.

14.8. In accordance with the MODVAT/CENVAT/VAT rules framed under the Central Excise Act, 1944, or relevant state legislation, as prevalent, the unutilized credit relating to excise duties and value added taxes paid on inputs/ capital goods lying to the account of the Demerged Undertaking 3, shall be permitted to be transferred to the credit of the Resulting Company 2. The Resulting Company 2 shall accordingly be entitled to set off all such credits against excise duty / applicable valued added tax payable by it.

15. PERMITS

15.1. With effect from the Effective Date, Permits relating to Demerged Undertaking 3 shall be transferred to and vested in the Resulting Company 2 and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company 2 on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking 3 in the Resulting Company 2 and continuation of operations pertaining to the Demerged Undertaking 3 in the Resulting Company 2 without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company 2 without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company 2 as if the same were originally given by, issued to or executed in favour of the Resulting Company 2 and the Resulting Company 2 shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company 2. It is clarified that the demerger and transfer of Demerged Undertaking 3 from Demerged Company 2 to Resulting Company 2 is subject to receipt of written approval of the DoT and satisfaction of all the conditions stipulated in such approval of the DoT in the manner contemplated under Clause 42.1.5.

15.2. The benefit of all Permits pertaining to the Demerged Undertaking 3 shall without any other order to this effect, transfer and vest into and become available to the Resulting Company 2 pursuant to the sanction of this Scheme.

15.3. The Demerged Company 2 in relation to the Demerged Undertaking 3 may be entitled to various benefits incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Demerged Undertaking 3 shall stand transferred to and vested in the Resulting Company 2 and all benefits, entitlements and incentives of any nature whatsoever including benefits under Tax, including the excise, sales tax, service tax, exemptions, concessions, remissions, and subsidies, to the extent statutorily available, shall be claimed by the Resulting Company 2. Provided however that any and all benefits, entitlements and incentives of any nature whatsoever relating to income tax shall not be transferred to the Resulting Company 2.

16. CONTRACTS

16.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of as set out under the Merger Agreement, in relation to the Demerged Undertaking 3, to which the Demerged

Company 2 is a party and which is subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Resulting Company 2 and shall be binding on and be enforceable by and against the Resulting Company 2 as fully and effectually as if the Resulting Company 2 had at all material times been a party or beneficiary or oblige thereto. The Resulting Company 2 will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.

16.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking 3 occurs by virtue of this Scheme, the Resulting Company 2 may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof and the Merger Agreement, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company 2 is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. With effect from the Effective Date, the Resulting Company 2 shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company 2 to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company 2.

17. EMPLOYEES

17.1. Upon this Scheme coming into effect and with effect from the Effective Date, the Resulting Company 2 undertakes to engage all Transferred Employees relating to the Demerged Undertaking 3, and identified in the manner as set out in the Merger Agreement, on terms and conditions that are no less favourable to such Transferred Employees than the corresponding terms of such Transferred Employees contract of employment with the Demerged Company 2, as existing immediately prior to the date on which an offer of employment was made to such Transferred Employees by the Resulting Company 2, without any interruption of service as a result of transfer of the Demerged Undertaking 3 to the Resulting Company 2. The Resulting Company 2 agrees that the period of services of all such Transferred Employees with the Demerged Company 2 prior to the Effective Date shall be taken into account for the purposes of all benefits of the Resulting Company 2 to which the said Transferred Employees may be eligible, including for the purpose of payment of any remuneration or contracts or statutory benefits, incentive plans, retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Transferred Employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company 2 and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company 2.

17.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Transferred Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company 2. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Resulting Company 2, the existing trusts created for such funds by the Demerged Company 2 shall stand dissolved.

17.3. It is clarified that save as expressly provided for in this Scheme, the Transferred Employees who become employees of the Resulting Company 2 by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Resulting Company 2, unless otherwise determined by the Resulting Company 2. The Resulting Company 2 undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Demerged Company 2 with any union/ Transferred Employees of the Demerged Company 2.

18. LEGAL PROCEEDINGS

18.1 Upon the coming into effect of this Scheme, Identified Litigations relating to the Demerged Undertaking 3 shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company 2 with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company 2.

18.2 The Resulting Company 2: (a) shall be replaced/added as party to such Identified Litigations relating to the Demerged Undertaking 3; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company 2 shall consequently stand nullified.

18.3 It is clarified that except as otherwise provided herein or the Merger Agreement, the Demerged Company 2 shall in no event be responsible or liable in relation to any Identified Litigations relating to the Demerged Undertaking 3 that stand transferred to the Resulting Company 2.

19. CONSIDERATION

19.1 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme:

19.1.1. for the transfer and vesting of: (a) the Demerged Undertaking 1 in the Resulting Company 1; (b) Demerged Undertaking 2 in the Resulting Company 2; and (c) Demerged Undertaking 3 in the Resulting Company 2; pursuant to provisions of this Scheme and Applicable Law, the Resulting Company 1 shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to the Demerged Company 1, 14,000,000,000 (fourteen billion) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Resulting Company 1 and additional shares which shall not exceed 1,950,000,000 (one billion nine hundred and fifty million) representing the Demerged Company 1 Additional Value contributed by the Demerged Companies, the Resulting Company 1 shall, representing 8,067,019,557 (eight billion sixty seven million nineteen thousand five hundred and fifty seven) fully paid up equity share of INR 10 (Indian Rupees Ten) each of Resulting Company 1 in respect of Demerged Undertaking 1, 5,352,980,622 (five billion three hundred and fifty two million nine hundred and eighty thousand six hundred and twenty two) fully paid up equity share of INR 10 (Indian Rupees Ten) each of Resulting Company 1 in respect of Demerged Undertaking 2 and 579,999,821 (five hundred and seventy nine million nine hundred and ninety nine thousand eight hundred and twenty one) fully paid up equity share of INR 10 (Indian Rupees Ten) each of Resulting Company 1 in respect of Demerged Undertaking 3;

19.1.2 for the transfer and vesting of the Demerged Undertaking 2 into Resulting Company 2 pursuant to provisions of this Scheme and Applicable Law, the Resulting Company 2 shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to the Resulting Company 1; 5,352,980,622 (five billion three hundred and fifty two million nine hundred and eighty thousand six hundred and twenty two) fully paid up equity share of INR 10 (Indian Rupees Ten) each of Resulting Company 2 to Resulting Company 1 in discharge of consideration for Demerged Undertaking 2 as reimbursement of amount discharged by Resulting Company 1 on an aggregate basis as mentioned under Clause 19.1.1 above to Demerged Company 1 for the Demerged Undertaking 2. It is clarified that such consideration discharged by Resulting Company 2 shall be deemed to be the consideration discharged by Resulting Company 2 with respect to the transfer and vesting of Demerged Undertaking 2 from Demerged Company 1 to the Resulting Company 2. Accordingly, the consideration for the said undertaking acquired by Resulting Company 2 for which consideration is discharged by Resulting Company 2 as above, shall be accounted for and available as cost of the assets and liabilities comprised therein for Resulting Company 2, based on purchase price allocation carried out by an independent valuer; and

19.1.3. for the transfer and vesting of the Demerged Undertaking 3 into Resulting Company 2 pursuant to provisions of this Scheme and Applicable Law, the Resulting Company 2 shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to the Resulting Company 1; 579,999,821 (five hundred and seventy nine million nine hundred and ninety nine thousand eight hundred and twenty one) fully paid up equity share of INR 10 (Indian Rupees Ten) each of Resulting Company 2 to Resulting Company 1 in discharge of consideration for Demerged Undertaking 3 as reimbursement of amount discharged by Resulting Company 1 on an aggregate basis under Clause 19.1.1 above to Demerged Company 1 for the Demerged Undertaking 3. It is clarified that: (A) such consideration discharged by Resulting Company 2 shall be deemed to be the consideration discharged by Resulting Company 2 with respect to the transfer and vesting of Demerged Undertaking 3 from Demerged Company 1 to the Resulting Company 2; and (B) the Demerged Company 1 shall be receiving consideration on behalf of the Demerged Company 2 for the transfer and vesting of the Demerged Undertaking 3 by Demerged Company 2 to Resulting Company 2. Accordingly, the consideration for the said undertaking acquired by Resulting Company 2 for which consideration is discharged by Resulting Company 2 as above, shall be accounted for and available as cost of the assets and liabilities comprised therein for Resulting Company 2, based on purchase price allocation carried out by an independent valuer.

19.2 The equity shares of the Resulting Company 1 or Resulting Company 2, as the case may be, to be issued and allotted as provided in Clause 19.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company 1 or Resulting Company 2, as the case may be, and shall rank pari-passu in all respects with the then existing equity shares of the Resulting Company 1 or Resulting Company 2, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.

19.3 The issue and allotment of equity shares as provided in Clause 19.1, is an integral part hereof and shall be deemed to have been carried out without requiring any further act on the part of the Resulting Companies or the Demerged Companies or their shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Companies and/ or the Demerged Companies to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares pursuant to this Clause 19.

19.4 The equity shares issued pursuant to Clause 19.1 shall be in dematerialized form, provided all details relating to the relevant depository participants are available with the Resulting Company 1 or Resulting Company 2, as the case may be. If such details are not provided, the equity shares shall be issued to it in the physical form.

19.5 The Demerged Companies and Resulting Companies have also agreed in the Merger Agreement, to effect certain valuation adjustments so as to equalise the value of the Demerged Undertakings and value of the business of the Resulting Companies as on the Effective Date, in consideration of which additional shares may be issued by the Resulting Company 1 to the Demerged Company 1 and GCSHL, by way of a preferential allotment, in the manner contemplated in the Merger Agreement. It is clarified that immediately upon implementation of this Scheme (including Parts II, III, IV, V and VI) and the completion of such valuation adjustments agreed in the Merger Agreement, the Demerged Company 1 shall hold 50% of the fully diluted equity share capital of the Resulting Company 1.

20. ACCOUNTING BY THE DEMERGED COMPANIES AND THE RESULTING COMPANIES IN RESPECT OF ASSETS AND LIABILITIES

20.1. **Accounting treatment in the books of the Demerged Company 1**

Upon this Scheme becoming effective:

20.1.1 Demerged Company 1, shall reduce the book value of Identified Assets 1, Identified Assets 2, shares in New HoldCo, Identified Liabilities 1 and Identified Liabilities 2 pertaining to Demerged Undertaking 1 and Demerged Undertaking 2 from its books of accounts;

20.1.2 Demerged Company 1 shall record the equity shares issued to Demerged Company 1 by Resulting Company 1 pursuant to Clause 19.1 at fair value

20.1.3 Demerged Company 1 shall adjust an amount of receivable from Demerged Company 2 equivalent to the fair value of the equity shares of Resulting Company 1 received by the Demerged Company 1 as consideration for the transfer to the Resulting Company 2 of Demerged Undertaking 3 by Demerged Company 2;

20.2 **Accounting treatment in the books of the Demerged Company 2**

Upon this Scheme becoming effective:

20.2.1 Demerged Company 2, shall reduce the book value of Identified Assets 3 and Identified Liabilities 3 pertaining to Demerged Undertaking 3 from its books of accounts; and

20.2.2 Demerged Company 2 shall adjust as no longer payable an amount of payable to Demerged Company 1 equivalent to the fair value of equity shares of Resulting Company 1 received by Demerged Company 1 being the entitlement of the Demerged Company 2 allowed to be obtained and retained by the Demerged Company 1.

20.3 **Accounting treatment in the books of the Resulting Company 1**

Upon coming into effect of this Scheme and upon the arrangement becoming operative the Resulting Company 1 shall record the Identified Assets 1 and Identified Liabilities 1 comprised in the Demerged Undertaking 1 transferred to and vested in the Resulting Company 1 pursuant to this Scheme at the fair market value as determined by an independent valuer and approved by the Board of the Resulting Company 1 as on the close of business on the day prior to the Effective Date in accordance with the Indian GAAP applicable to the Resulting Company 1. The Resulting Company 1 shall record the face value of equity share capital issued by Resulting Company 2 pursuant to Clause 19.1 of this Scheme as investments.

20.4 **Accounting treatment in the books of the Resulting Company 2**

Upon coming into effect of this Scheme and upon the arrangement becoming operative: (a) the Resulting Company 2 shall record the Identified Assets 2 and Identified Liabilities 2 comprised in the Demerged Undertaking 2 transferred to and vested in the Resulting Company 2 pursuant to this Scheme; and (b) the Resulting Company 2 shall record the Identified Assets 3 and Identified Liabilities 3 comprised in the Demerged Undertaking 3 transferred to and vested in the Resulting Company 2, pursuant to this Scheme at the fair market value as determined by and independent valuer and approved by the Board of Directors of the Resulting Company 2 as on the close of business on the day prior to the Effective Date in accordance with the Indian GAAP applicable to the Resulting Company 2.

21. **REMAINING BUSINESS**

21.1 The Remaining Business and all the assets, investments, liabilities and obligations including without limitation the Excluded Assets, Excluded Employees, Excluded IPR, Excluded Liabilities and Excluded Litigation of each of the Demerged Companies, shall continue to belong to and be vested in and be managed by the relevant Demerged Company.

21.2 All legal, Taxation and/ or other proceedings by or against the Demerged Companies under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Companies (including those relating to any property, right, power, liability, obligation or duties of the Demerged Companies in respect of the Remaining Business) shall be continued and enforced against the Demerged Companies.

PART III

AMALGAMATION OF TRANSFEROR COMPANIES WITH TRANSFEREE COMPANY

22. AMALGAMATION TRANSFER AND VESTING OF TRANSFEROR UNDERTAKINGS

22.1. With effect from the Effective Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertaking of the Transferor Companies, Undertaking of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, and stand, transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act and section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor Companies or any part thereof; provided always that this Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Companies, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under this Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 of the Act in respect of this Scheme, the Transferee Company shall at all times be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties of the Transferor Companies in accordance with the provisions of Section 391 to 394 of the Act, at the offices of any Appropriate Authority.

22.2 With respect to the assets forming part of the Undertaking of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or endorsement and/or delivery, the same may be so transferred by the Transferor Companies without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Effective Date.

22.3 With respect to the assets of the Undertaking of the Transferor Companies other than those referred to in Clause 22.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Effective Date. It is hereby clarified that all the investments made by the Transferor Companies and all the rights, title and interests of the Transferor Companies in any leasehold properties in relation to the Undertaking of the Transferor Companies, if any, shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.

22.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme; and in accordance with the provisions of relevant Applicable Laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Companies, be transferred to and vest in the Transferee Company.

22.5 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the

Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Companies on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

22.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Companies occurs by virtue of this Scheme, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies.

22.7 In so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Transferor Companies are concerned as on the Effective Date, including income tax benefits and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Effective Date.

22.8 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to, and vested in, and/or deemed to have been and stand transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

22.9 Without prejudice to the provisions of the foregoing Clauses, and upon this Scheme becoming effective, the Transferor Companies and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies, to give formal effect to the above provisions.

22.10 If and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Companies and the Transferee Company.

22.11 With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Companies and the Transferee Company.

22.12 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Companies operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as **"Tax Laws"**) to the extent not provided for or covered by tax provision in the Transferor Companies' accounts made as on the date immediately preceding the Effective Date shall subject to the provisions of the Income-tax Act, 1961, be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Effective Date will also be transferred to the account of and belong to the Transferee Company.

22.13 Upon this Scheme becoming effective, the Transferee Company is expressly permitted to revise and file its income tax returns including service tax returns, sales tax and value added tax returns and other tax returns (including revised returns) as may be necessary and expressly reserves the right to make such provisions in its returns, and to claim refunds and credits etc. pertaining to the Transferor Companies notwithstanding that the statutory period for such revision and filing may have lapsed. The Transferee Company shall be entitled to claim and be allowed credit or benefits of all tax deduction certificates, advance tax or other tax payments, credits or drawbacks or any other credit or benefit of any tax, duty, CENVAT, incentive etc. relating to the Transferor Companies, notwithstanding that such certificates or challans or any other documents for tax payments or credits/benefits etc. may have been issued or made in the name of the Transferor Companies. Such credit/ benefit shall be allowed without any further act or deed by the Transferee Company or the need for any endorsements on such certificates, challans, documents etc. to be done by the issuers or any authority.

22.14 Upon this Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Companies shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company.

22.15 All expenses incurred by the Transferor Companies under Section 43B of the Income-tax Act, 1961, in relation and pertaining to its business, shall be claimed as a deduction by the Transferee Company and the transfer of the entire business shall be considered as succession of business by the Transferee Company.

22.16 Any refunds under the Tax Laws due to the Transferor Companies consequent to the assessment and which have not been received by the Transferor Companies as on the date immediately preceding the Effective Date shall also belong to and be received by the Transferee Company.

22.17 Without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Companies are entitled to in terms of the applicable Tax Laws, including but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to and vest in the Transferee Company.

22.18 All debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/held by the Transferor Companies, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

22.19 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc, the Transferor Companies shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Companies to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

22.20 Without prejudice to the provisions of this Scheme, with effect from the Effective Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes, from the Effective Date.

22.21 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

22.22 For avoidance of doubt and without prejudice to the generality of the applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies which are in the name of the Transferor Companies shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of this Scheme.

23. PERMITS

With effect from the Effective Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Companies, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Companies and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

24. EMPLOYEES

24.1 Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Companies on the same terms and conditions on which they are engaged by the Transferor Companies without any interruption of service as a result of the amalgamation of the Transferor Companies with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Companies prior to the amalgamation of the Transferor Companies with the Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of such employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of such employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Companies. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Companies shall stand dissolved.

24.2 It is clarified that save as expressly provided for in this Scheme, the employees of the Transferor Companies who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee

Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into or deemed to have been entered into by the Transferor Companies with any union/ employee of the Transferor Companies.

25. LEGAL PROCEEDINGS

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the **"Proceedings"**) by or against the Transferor Companies be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

26. CONSIDERATION

26.1 Upon this Scheme becoming effective and in consideration of the amalgamation of the Transferor Companies into the Transferee Company, including the transfer and vesting of the Transferor Undertakings of the Transferor Companies into the Transferee Company pursuant to the provisions of this Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot:

26.1.1 22,119,183 (twenty two million one hundred and nineteen thousand one hundred and eighty three) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Transferee Company to GCSHL for 11,828,440 (eleven million eight hundred and twenty eight thousand four hundred and forty) equity share of INR 10 (Indian Rupees Ten) each held by GCSHL in the Transferor Company 1;

26.1.2 63,900,817 (sixty three million nine hundred thousand eight hundred and seventeen) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Transferee Company to SSIPL for 34,171,560 (thirty four million one hundred and seventy one thousand five hundred and sixty) equity share of INR 10 (Indian Rupees Ten) each held by it in the Transferor Company 1; and

26.1.3 1 (one) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Transferee Company to GCSHL for 6,217,278 (six million two hundred and seventeen thousand two hundred and seventy eight) equity share of INR 10 (Indian Rupees Ten) each held by it in the Transferor Company 2.

26.1.4 2,449,999 (two million four hundred and forty nine thousand nine hundred and ninety nine) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Transferee Company to GCSHL for 1,644,461,328 (one billion six hundred and forty four million four hundred and sixty one thousand and three hundred and twenty eight) non-convertible redeemable preference shares of INR 10 (Indian Rupees Ten) each held by it in the Transferor Company 2.

26.2. Cancellation of equity shares of the Resulting Company 1 held by the Transferor Company 1

26.2.1 With effect from the Effective Date, and in consideration of the amalgamation of the Transferor Companies into the Transferee Company, including the transfer and vesting of the Transferor Undertakings of the Transferor Companies into the Transferee Company pursuant to the provisions of this Scheme, the investments held by the Transferor Company 1 in the equity share capital of the Transferee Company shall stand cancelled and accordingly, the share capital of the Transferee Company shall stand reduced to the extent of the face value of the shares held by the Transferor Company 1 in the Transferee Company as on the Effective Date.

26.2.2 Such reduction of share capital of the Transferee Company and the Transferor Company 1 as provided in this Clause 26.2 shall be effected as a part of this Scheme, upon which the share capital of the Transferee Company and Transferor Company 1 shall be deemed to be reduced and the orders of the High Court sanctioning this Scheme shall be deemed to be an order under Sections 100 to 103 of

the Act confirming such reduction of share capital of the Transferee Company. Notwithstanding the reduction of issued subscribed and paid up preference share capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as a suffix to its name.

26.3 The equity shares of the Transferee Company to be issued and allotted as provided in Clause 26.1 above shall be subject to the provisions of the memorandum and articles of association of the Transferee Company, and shall rank pari-passu in all respects with the then existing equity shares of the Transferee Company, after the Effective Date including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

26.4 The issue and allotment of the equity shares as provided in Clause 26.1 above is an integral part hereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferor Companies or the Transferee Company or their shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Transferor Companies and/ or Transferee Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares pursuant to Clause 26.1 above and the cancellation of equity shares pursuant to Clause 26.2 above.

26.5 Upon the coming into effect of this Scheme and upon the equity shares being issued and allotted as provided in Clause 26.1 of this Scheme, the equity shares of the Transferor Companies, both in dematerialized form and in physical form, shall be deemed to have been automatically cancelled and shall be of no effect on and from the Effective Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Companies, directly issue and dispatch the new share certificates of the Transferee Company.

26.6 The equity shares issued pursuant to Clause 26.1 shall be in dematerialized form, provided all details relating to the relevant depository participants are available with the Transferee Company. If such details are not provided, the equity shares shall be issued to it in the physical form.

27. ACCOUNTING BY THE TRANSFEREE COMPANY IN RESPECT OF ASSETS AND LIABILITIES

27.1. Accounting treatment in the books of the Transferee Company:

Upon coming into effect of this Scheme and upon the arrangement becoming operative the Transferee Company shall record the all the assets and liabilities comprised in the Transferor Companies at the fair market value as determined by an independent valuer and approved by the Board of Directors of the Transferee Company as on the close of business on the day prior to the Effective Date in accordance with the Indian GAAP applicable to the Transferee Company.

28. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

29. DISSOLUTION OF THE TRANSFEROR COMPANY

On this Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned Registrar of Companies.

PART IV

REORGANISATION OF RESULTING COMPANY 1 RPS

30 CONVERSION OF RESULTING COMPANY 1 RPS

30.1. Subject to the approval of the Reserve Bank of India and such other Permits as may be required, the Resulting Company 1 RPS shall, on this Scheme coming into effect, without further act or deed be converted at par into fully paid up equity shares of INR 10 each of the Resulting Company 1 aggregating to 8,091,527,200 (eight billion ninety one million five hundred twenty seven thousand and two hundred) equity shares, and such equity shares (being the RPS Converted Equity Shares) shall be allotted to GCSHL being the holders of such preference shares on the Effective Date.

30.2 The RPS Converted Equity Shares shall be subject to the provisions of the memorandum and articles of association of the Resulting Company 1, and shall rank pari-passu in all respects with the then existing equity shares of the Resulting Company 1, after the Effective Date including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

30.3 The issue and allotment of the RPS Converted Equity Shares is an integral part hereof and shall be deemed to have been carried out without requiring any further act on the part of the Resulting Company 1 or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/ approval also to the conversion, issue and allotment of RPS Converted Equity Shares.

31 REDUCTION AND CANCELLATION OF RPS CONVERTED EQUITY SHARES

31.1 Immediately upon issuance and allotment of the RPS Converted Equity Shares, the RPS Converted Equity Shares shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up capital of the Resulting Company 1 to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company 1, pursuant to Section 100 of the Act as also any other applicable provisions of the Act.

31.2. The reduction of the share capital of the Resulting Company 1 shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 100 to 103 of the Act separately, and the order of the High Court sanctioning this Scheme shall be deemed to be an order under section 102 of the Act confirming the reduction. Notwithstanding the reduction of issued, subscribed and paid up equity share capital of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.

31.3. On effecting the reduction of the RPS Converted Equity Shares, the share certificates in respect of the RPS Converted Equity Shares held by their respective holders shall also be deemed to have been cancelled.

32. ACCOUNTING BY THE RESULTING COMPANY 1

32.1 On the Effective Date, Resulting Company 1 shall credit its share capital account in its books of account with the aggregate face value of the RPS Converted Equity Shares. The excess, if any, of the value of the Resulting Company 1 RPS over the face value of RPS Converted Equity Shares issued by the Resulting Company 1 shall be recorded in the securities premium account in the books of Resulting Company 1.

32.2 The capital reserve in the books of the Resulting Company 1 shall be increased to the extent of the amount of equity shares of the Resulting Company 1 cancelled as per Clause 31.

PART V

REORGANISATION OF RESULTING COMPANY 1 SHAREHOLDER LOANS

33. CONVERSION OF RESULTING COMPANY 1 SHAREHOLDER LOANS

33.1 Subject to the approval of the Reserve Bank of India and such other Permits as may be required, upon this Scheme coming into effect: (a) the Resulting Company 1 Shareholder Loans shall be converted to 26,254,046,862 (Twenty six billion two hundred fifty four million forty six thousand and eight hundred sixty two) equity shares (being the SHL Converted Equity Shares); and (b) such other loans that may have been brought towards satisfying the interim funding requirements of the Resulting Companies in accordance with Applicable Laws, shall, without further act or deed be converted at par into fully paid up equity shares of INR 10 each of the Resulting Company 1.

33.2 The SHL Converted Equity Shares or such other number shares issued pursuant to Clause 33.1(b) shall be subject to the provisions of the memorandum and articles of association of the Resulting Company 1, and shall rank pari-passu in all respects with the then existing equity shares of the Resulting Company 1, after the Effective Date including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

33.3 The issue and allotment of the SHL Converted Equity Shares or such other number shares issued pursuant to Clause 33.1(b) is an integral part hereof and shall be deemed to have been carried out without requiring any further act on the part of the Resulting Company 1 SHL Lender or the Resulting Company 1 or their shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/ approval also to the conversion, issue and allotment of SHL Converted Equity Shares and such other number shares issued pursuant to Clause 33.1(b).

34. REDUCTION AND CANCELLATION OF SHL CONVERTED EQUITY SHARES

34.1 Immediately upon issuance and allotment of the SHL Converted Equity Shares and shares issued under Clause 33.1(b) above and immediately after giving effect to the reductions and cancellation of shares under Clause 31 above, 10,550,624,970 (ten billion five hundred and fifty million six hundred and twenty four thousand nine hundred and seventy) fully paid up equity shares or such other higher number of fully paid up equity shares of the Resulting Company 1 from the SHL Converted Equity Shares, for maintaining an optimum capital structure as stated in Clause 19.5 above, shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid capital of the Resulting Company 1 to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company 1, pursuant to Section 100 of the Act as also any other applicable provisions of the Act. For the avoidance of doubt, it is clarified that equity shares reduced under this clause does not include equity shares converted from the Indian Rupee denominated bonds.

34.2 The reduction of the share capital of the Resulting Company 1 shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 100 to 103 of the Act separately, and the order of the High Court sanctioning this Scheme shall be deemed to be an order under section 102 of the Act confirming the reduction. Notwithstanding the reduction of issued, subscribed and paid up equity share capital of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.

34.3 On effecting the reduction of the share capital as stated in Clause 34.1 above, the share certificates in respect of such Equity Shares held by their respective holders shall also be deemed to have been cancelled.

35. ACCOUNTING BY THE RESULTING COMPANY 1

35.1 On the Effective Date, Resulting Company 1 shall credit its share capital account in its books of account with the aggregate face value of the SHL Converted Equity Shares. The excess, if any, of the value of the Resulting Company 1 Shareholders Loan over the face value of SHL Converted Equity Shares issued by the Resulting

Company 1 shall be recorded in the securities premium account in the books of Resulting Company 1.

35.2 The capital reserve in the books of the Resulting Company 1 shall be increased to the extent of the amount of equity shares of the Resulting Company 1 cancelled as per Clause 34.

PART VI

REDUCTION AND REORGANISATION OF SHARE CAPITAL OF TRANSFEROR COMPANY 1

36. REDUCTION OF TRANSFEROR COMPANY 1 RPS

36.1 Notwithstanding anything contained in this Scheme and independent of other Parts of this Scheme, the Transferor Company 1 RPS issued by Transferor Company 1 to Transferor Company 2 (i.e. all the 1,644,594,517 (one billion six hundred and forty four million five hundred and ninety four thousand five hundred and seventeen) redeemable cumulative non-convertible preference shares of INR 10 each), shall stand cancelled, extinguished and annulled on and from the Effective Date without any consideration and the paid up preference share capital of the Transferor Company 1 shall stand cancelled and extinguished, which shall be regarded as reduction of share capital of the Transferor Company 1, pursuant to section 100 of the Act as also any other applicable provisions of the Act.

36.2. The reduction of the share capital of the Transferor Company 1 shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 100 to 103 of the Act separately and the order of the High Court sanctioning this Scheme shall be deemed to be an order under section 102 of the Act confirming the reduction.

36.3. On effecting the reduction of the preference share capital as stated in Clause 36.1 above, the share certificates in respect of Transferor Company 1 RPS held by their respective holders shall also be deemed to have been cancelled.

36.4 It is clarified that upon the Scheme becoming effective, the reduction of the Transferor Company 1 RPS as stated above shall precede all other actions proposed under this Scheme.

36.5 The capital reserve in the books of the Transferor Company 1 shall be increased to the extent of the amount of redeemable cumulative non-convertible preference shares of the Transferor Company 1 cancelled as per Clause 36.1.

PART VII

GENERAL TERMS & CONDITIONS

37. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANIES

37.1 Upon this Scheme becoming effective, the authorised share capital of the Resulting Company 1 and Resulting Company 2 will automatically stand increased to INR 750,000,000,000 (Rupees seven hundred and fifty billion) and INR 85,000,000,000 (Rupees eighty five billion) respectively by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

37.2 Consequently:

37.2.1 the Memorandum of Association of the Resulting Company 1 shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as the case may be, and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 75,000,00,00,000 (Rupees Seventy five thousand crore) divided into 7500,00,00,000 (Seven thousand five hundred crore) Equity Shares of Rs 10/- (Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide

the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.".

37.2.2 the Memorandum of Association of the Resulting Company 2 shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as the case may be, and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 8,500,00,00,000 (Rupees Eight thousand five hundred crore) divided into 650,00,00,000 (Six hundred fifty crore) Equity Shares of Rs 10/- (Rupees Ten only) and 200,00,00,000 (two hundred crore) Preference Shares of Rs 10/- (Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

37.3 It is clarified that the approval of the members of the Resulting Companies to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of the Memorandum of Association of the Resulting Companies and the Resulting Companies shall not be required to seek separate consent/ approval of their respective shareholders for such alteration of the Memorandum of Association of the Resulting Company 1 as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the applicable provision of the Companies Act, 1956.

38. BUSINESS UNTILL EFFECTIVE DATE

38.1 With effect from date when the Boards of each of the Demerged Companies and the Resulting Companies approve this Scheme and up to and including the Effective Date, each of the Demerged Companies shall:

38.1.1 take reasonable steps to preserve and protect the Demerged Undertakings and not to dispose of any of the Identified Assets save in the ordinary and usual course of business; and

38.1.2 notify the Resulting Companies in writing, as soon as reasonably practicable, of any matter, circumstance, act or omission which is or may be a breach of this Clause 37.

38.2 The Demerged Companies and the Resulting Companies shall make necessary applications before the High Courts for the sanction of this Scheme under Sections 391 and 394 of the Act. The Demerged Companies and the Resulting Companies may in due course apply for one or more orders under Section 394 of the Act for vesting of the Demerged Undertakings under this Scheme.

38.3 With effect from date when the Board of each of the Transferor Companies and the Transferee Company approve this Scheme and up to and including the Effective Date, each of the Transferor Companies shall:

38.3.1 take reasonable steps to preserve and protect the Undertakings of the Transferor Companies and not to dispose of any of the assets of the Transferor Companies save in the ordinary and usual course of business;

38.3.2 notify the Transferee Company and the Demerged Company 1 in writing the existing management reports which the management of the Transferor Companies uses for business reviews at the same time as they are provided to the management of the Transferor Companies; and

38.3.3 notify the Transferee Company and the Demerged Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 37.

The Transferor Companies and the Transferee Company shall make necessary applications before the High Courts for the sanction of this Scheme under Sections 391 and 394 of the Companies Act, 1956. The Transferor Companies and the Transferee Company may in due course apply for one or more orders under Section 394 of the Companies Act, 1956 for vesting of the Transferor Undertakings under this Scheme.

39. OTHER ISSUANCES OF EQUITY SHARES BY THE RESULTING COMPANIES

To enable the Resulting Company 1 and Resulting Company 2 to pay the liberalisation costs to the DoT to obtain the approval listed out in Clause 42.1.5, the Resulting Company 1 be and is hereby permitted to issue to each of GCSHL and the Demerged Company 1, equity shares of value aggregating to not more than the INR 37,050,000,000 (thirty seven billion fifty million) on the date of such issue of equity shares by the Resulting Company 1 in accordance with the provisions of the Act, memorandum of association and articles of association.

40. INDEMNITY

The Demerged Companies, the Resulting Companies and GCSHL have agreed to indemnify each other for certain events as provided in the Merger Agreement.

41. MODIFICATION OR AMENDMENTS TO THIS SCHEME

41.1 On behalf of each of the Transferor Companies, the Demerged Companies and the Resulting Companies, the Boards of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the High Court or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by both of them (i.e. the Board of the Demerged Companies, the Board of the Resulting Companies and the Board of the Transferor Companies) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

41.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Transferor Companies, the Demerged Companies and the Resulting Companies acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

42. CONDITIONS PRECEDENT

42.1. This Scheme is conditional on and subject to:

42.1.1 this Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Demerged Companies, Transferor Companies and Resulting Companies as required under Section 391 of the Act and other applicable provisions of the Act;

42.1.2 this Scheme having been approved by the High Court or the National Company Law Tribunal which has jurisdiction over the relevant parties thereto, either on the terms as originally approved by the relevant parties, or with or subject to such modifications as the relevant parties may agree (and, to the extent required, the High Court or the National Company Law Tribunal, as the case may be, may have approved or be willing to approve);

42.1.3 The Demerged Company 1 having received a "no adverse objection letter" from the Stock Exchanges for the demerger and transfer of the Demerged Undertakings from the Demerged Companies to the Resulting Companies, other arrangement as set out in this Scheme and the Merger Agreement and as required under Applicable Law, such no-objection letter to be in form and substance acceptable to the Demerged Company 1 and the Resulting Company 1, both acting reasonably;

42.1.4 pursuant to the provisions of the Competition Act: (i) the Competition Commission of India ("CCI") (or any appellate authority in India which has appropriate jurisdiction) having granted approval (or being deemed, under Applicable Law, to have granted approval) for the Transactions set out in this Scheme and the Merger Agreement, such approval to be in form and substance acceptable to both the Demerged Company 1 and the Resulting Company 1, both acting reasonably; and any conditions contained in such approval (or deemed approval) that are required to be satisfied at any time prior to the Effective Date having been so satisfied (or, where applicable, waived);

42.1.5. (a) the written approvals from the DoT with respect to the transactions contemplated under this Scheme and other Transaction Documents (including the Merger Agreement), having been received, such approvals to be in form and substance acceptable to both Demerged Company 1 and Resulting Company 1, both acting reasonably, and any conditions contained in such approvals that are required to be satisfied on the Effective Date having been so satisfied (or, where applicable, waived) other than any condition relating to the payment of demands or charges set out in such written approvals (including but not limited to the Liberalisation Costs) and any other conditions which by their nature are capable of satisfaction only on or immediately prior to Effective Date; (b) any demands or charges (other than Liberalisation Costs) required to be paid by the terms of the written approvals referred to in Clause 42.1.5(a) having been paid in accordance with Applicable Law, by the Party stated as being responsible for such demands or charges under such written approvals, immediately prior to Effective Date (or such other time as may be required by such approvals) in accordance with the terms thereof; and (c) any demands or charges in relation to the Liberalisation Costs required to be paid by the terms of the written approvals referred to in Clause 42.1.5(a) having been paid by Resulting Company 1 and/or Resulting Company 2 immediately prior to Effective Date (or such other time as may be required by such approvals) in accordance with the terms thereof;

42.1.6 the certified/authenticated copies of the orders of the High Court sanctioning this Scheme having been filed with the Registrar of Companies having jurisdiction, if and to the extent that such orders do not contain a dispensation allowing for them to be filed with the Registrar of Companies after the Effective Date;

42.1.7 each of the Demerged Undertakings, New Holdco and the Transferred Subsidiaries having obtained all consents, approvals and waivers from their respective lenders (including potential lenders under undrawn facilities) and from the lenders identified in the Merger Agreement in a form and substance acceptable, to both Demerged Company 1 and Resulting Company 1, both acting reasonably;

42.1.8 each of the Resulting Companies having obtained all consents, approvals and waivers from their respective lenders (including potential lenders under undrawn facilities) and from the lenders identified in the Merger Agreement in a form and substance acceptable, to both Demerged Company 1 and Resulting Company 1, both acting reasonably;

42.1.9 SSTL Scheme becoming effective in accordance with the terms thereof;

42.1.10 The New Credit Facility and the Fund Flow Agreement being executed in the manner set out in the Merger Agreement and the satisfaction of any conditions set out in the New Credit Facility or the Fund Flow Agreement, which are required to be satisfied before this Scheme becoming effective, in the manner specified therein or in the Merger Agreement;

42.1.11 mandatory regulatory approvals that are required for the transfer of the shares in New Holdco to Resulting Company 1 on and subject to the terms of this Merger Agreement and this Scheme having been obtained from: (a) the Committee on Foreign Investment in the United States and

the Federal Communications Commission of the United States; and (b) the Reserve Bank of India separately in respect of: (i) Demerged Companies' transfer of shares in New Holdco to Resulting Company 1; and (ii) Resulting Company 1's acquisition of the shares in New Holdco from Demerged Company 1; in each case on terms and subject to conditions acceptable to both Demerged Company 1 and Resulting Company 1, both acting reasonably and (in each case) any conditions contained in such approvals that are required to be satisfied at any time prior to the Effective Date having been so satisfied (or, where applicable, waived);

42.1.12 the New Holdco Reorganisation having been completed;

42.1.13 the lenders under the New Credit Facility having credited at least INR 28,000 crore (in aggregate) to an escrow account in anticipation of occurrence of Effective Date and in accordance with the Funds Flow Agreement, such escrow account to be with an escrow agent acceptable to the relevant Parties and other relevant persons;

42.1.14 mandatory approvals that are required for the conversion of the Resulting Company 1 Shareholder Loans and the Resulting Company 1 RPS on and subject to the terms of the Merger Agreement and this Scheme having been received from the Reserve Bank of India, in the manner set out in the Merger Agreement;

42.1.15 there having been no Demerged Company Material Adverse Change or Resulting Company Material Adverse Change;

42.1.16 there having been no change in Applicable Law (including any change in interpretation of Applicable Law by any relevant Appropriate Authority) or ruling, decree or direction by any Appropriate Authority until the Effective Date which would prohibit or make unlawful, the performance by any Party (or its respective Affiliates) of its (or their) material obligations;

42.1.17 the Demerged Companies' Scheme having become effective (in accordance with the provisions of the Demerged Companies' Scheme);

42.1.18 Issue of the RCOM CP Satisfaction Notices by Demerged Company 1 confirming satisfaction (or, where applicable, waiver) of all the Conditions Precedent to be fulfilled by Demerged Company 1 in accordance with the Merger Agreement.

42.1.19 Issue of the Aircel CP Satisfaction Notices by Resulting Company 1 confirming satisfaction (or, where applicable, waiver) of all the Conditions Precedent to be fulfilled by Resulting Company 1 in accordance with the Merger Agreement.

42.2 The effectiveness of this Scheme shall be subject to the satisfaction or waiver (if capable of waiver) of the Conditions Precedent, at or prior to the Effective Date, or such other date as is mentioned above in Clause 42.1.

42.3 It is hereby clarified that submission of this Scheme to the High Court and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Companies, the Transferor Companies and/ or the Resulting Companies may have under or pursuant to all Applicable Laws.

42.4 On the approval of this Scheme by the shareholders and the creditors of the Demerged Companies, the Transferor Companies and the Resulting Companies such shareholders and creditors shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

43. EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

43.1 The Demerged Companies (acting jointly but not separately) and/ or the Resulting Companies and the Transferor Companies (all of the Resulting Companies and the Transferor Companies acting jointly but not separately) acting through their respective Board shall each be at liberty to withdraw this Scheme, in the event of expiry or termination of the Merger Agreement.

43.2. If this Scheme is not effective on or before 30 September 2017 or within such further period or periods as may be agreed upon between the Demerged Companies and the Resulting Companies through their respective Boards or its authorized representative, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and / or in connection with this Scheme.

43.3 In the event of revocation/ withdrawal under Clause 43.1 or Clause 43.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Companies, the Transferor Companies and the Resulting Companies or their respective shareholders or creditors or employees or any other person save and except as provided in the Merger Agreement.

44. COSTS AND TAXES

44.1 Stamp duty on the orders of the High Courts or the National Company Law Tribunal, as applicable, and on the issuance of shares as set out in this Scheme, if any, and to the extent applicable, shall be borne and paid by the Resulting Company 1.

44.2 The Demerged Companies, the shareholders of the Transferor Company and the Transferee Company should independently assess the tax consequences of this Scheme and obtain independent advice on this issue.

44.3 Neither of the Resulting Companies, Demerged Companies, the Transferor Companies are providing any advice or indication regarding the tax implications in the hands of the respective shareholders.

SCHEDULE 1
ASSETS AND LIABILITIES

PART 1 | ASSETS

PART A | IDENTIFIED ASSETS 1

The following assets relating to Demerged Undertaking 1:

a. Telecom equipment centralised or decentralised pertaining to 2nd, 3rd and 4th generation of wireless telecommunications technology (excluding CDMA), Radio Access Network, microwave network equipment, Mobile Switching Centre/Global System for Mobile Communication (Including Home Location Register, HSS & Intelligent Network), Media Gateway, Base Station Controller, Radio Network Controllers, NMS Servers, Signal transfer Point, Packet Core nodes, Policy and Charging Rules Function, Short Message Service Centre, Short Messaging Service aggregator, Lawful Interception servers, CRBT, MCA, Unstructured Supplementary Service Data, mobile switching centre, Consent gateway, DSTK, Mobile Internet Gateway, Internet gateway, other VAS nodes, IP assets (L2/L3 switches, firewall, routers), SBC, CCT assets etc and electronics of Media Convergence Node other than Dense Wavelength Division Multiplexing & Synchronous Digital Hierarchy;

b. Media Gateway and Media Gateway Controller associated with National Long Distance voice;

c. Equipment pertaining to 5 gateways ILT switch in Mumbai, Delhi, Kolkata, Chennai and Ernakulam (excluding land and building);

d. All assets of New Holdco and the Transferred Subsidiaries including 4 International POP locations – Hong Kong, New York, Los Angeles, London;

e. Equipments pertaining to MCN locations with complete passive infrastructure including DG sets, AMF panel, Distribution panels, Transformers, PAC, AC, False floor, IBMS, SMPS, Battery Banks, UPS, UPS batteries and electrical Cables etc (excluding land and building);

f. All spare equipment modules and consumables available at warehouses and/or any network facility related to above list of equipments/nodes;

g. All end-user equipment used by staff (insourced or outsourced) moving from Demerged Company 1 to Resulting Company 1 including handsets, dongles/MiFi devices and laptop & desktop computers (other than those provided as services under the Office Services agreement).

h. The equipment (excluding CDMA-specific equipment) on operational and non-operational sites/ circles, and equipment de-installed from operational and non -operational sites and circles presently stored in the warehouses;

i. All telecom licenses as set out in Annexure A of this Schedule 1;

j. All rights to use spectrum as set out in Annexure A of this Schedule 1, including the frequency and microwave spots (pertaining to liberalised and non-liberalised spectrum) Disclosed in Annexure 10E(7) and Annexure 10E(10) to the RCOM Execution Disclosure Letter, and RCOM Completion Disclosure Letter, as applicable;

k. Available CENVAT credit on the Completion Date to Demerged Company 1 relating to Demerged Undertaking 1;

l. RCOM Wireless Business IPR;

m. Working capital assets including but not limited to advances, deposits, receivables etc., set out in the RCOM Completion Date Accounts;

n. All assets (including network assets) set out in the fixed assets register and Capital work in Progress (CWIP) disclosed as part of the RCOM Completion Date Accounts;

o. SSTL Assets pertaining to SSTL Business 1, limited only to spectrum as detailed in Annexure E of this Schedule and also microwave supporting microwave frequencies as detailed in Annexure 10E(11) of the RCOM Execution Disclsoure Letter allocated to or being transferred to Aircel and their associated NMS, software and licenses, but excluding CDMA specific assets;

p. All test, monitoring, operations, management equipment, tools and systems associated with the networks being transferred; and

q. Where not included in paragraphs (a) to (p) above, assets relating to Demerged Undertaking 1 accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts, including all assets being used in conduct of the Demerged Undertaking 1 and/or in possession of any third parties under any contract or otherwise.

PART B | IDENTIFIED ASSETS 2

The following assets relating to Demerged Undertaking 2:

a. Telecom equipment centralised or decentralised pertaining to 2nd, 3rd and 4th generation of wireless telecommunications technology (excluding CDMA), Radio Access Network microwave network equipment, Mobile Switching Centre/Global System for Mobile Communication (Including Home Location Register, HSS & Intelligent Network), Media Gateway, Base Station Controller, Signal transfer Point, Radio Network Controllers, NMS Servers, Packet Core nodes, Policy and Charging Rules Function, Short Message Service Centre, Short Messaging Service aggregator, Lawful Interception servers, CRBT, MCA, Unstructured Supplementary Service Data, mobile switching centre, Consent gateway, DSTK, Mobile Internet Gateway, Internet gateway, other VAS nodes, IP assets (L2/L3 switches, firewall, routers), SBC, CCT assets etc and electronics of Media Convergence Node other than Dense Wavelength Division Multiplexing & Synchronous Digital Hierarchy;

b. Media Gateway and Media Gateway Controller associated with National Long Distance voice;

c. Equipments pertaining to MCN locations with complete passive infrastructure including DG sets, AMF panel, Distribution panels, Transformers, PAC, AC, False floor, IBMS, SMPS, Battery Banks, UPS, UPS batteries and electrical Cables etc. (excluding land and building);

d. All spare equipment modules and consumables available at warehouses and/or any network facility related to above list of equipments/nodes;

e. All end-user equipment used by staff (insourced or outsourced) moving from Demerged Company 1 to Resulting Company 2 including handsets, dongles/MiFi devices and laptop & desktop computers (other than those provided as services under the Office Services agreement).

f. The equipment (excluding CDMA-specific equipment) on operational and non-operational sites/circles, and equipment de-installed from operational and non-operational sites and circles presently stored in the warehouses;

g. All telecom licenses as set out in Annexure B of this Schedule 1;

h. All rights to use spectrum as set out in Annexure B of this Schedule 1, including the frequency and microwave spots (pertaining to liberalised and non-liberalised spectrum) Disclosed in Annexure 10E(7) and Annexure 10E(10) to the RCOM Execution Disclosure Letter, and the RCOM Completion Disclosure Letter, as applicable;

i. Available CENVAT credit on the Completion Date to Demerged Company 1 relating to Demerged Undertaking 2;

j. Working capital assets including but not limited to advances, deposits, receivables etc., set out in RCOM Completion Date Accounts;

k. All assets (including network assets) set out in the fixed assets register and CWIP disclosed as part of the RCOM Completion Date Accounts;

l. SSTL Assets pertaining to SSTL Business 2, limited only to spectrum as detailed in Annexure F of this Schedule and also microwave supporting microwave frequencies as detailed in Annexure 10E(11) of the RCOM Execution Disclsoure Letter allocated to or being transferred to Aircel and their associated NMS, software and licenses, but excluding CDMA specific assets;

m. All test, monitoring, operations, management equipment, tools and systems associated with the networks being transferred; and

n. Where not included in paragraphs (a) to (m) above, assets relating to Demerged Undertaking 2 accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts, all assets being used in conduct of the Demerged Undertaking 2 and/or in possession of any third parties under any contract or otherwise.

PART C | IDENTIFIED ASSETS 3

The following assets relating to Demerged Undertaking 3:

a. Telecom equipment centralised or decentralised pertaining to 2nd, 3rd and 4th generation of wireless telecommunications technology (excluding CDMA), Radio Access Network, microwave network equipment, Mobile Switching Centre/Global System for Mobile Communication (Including Home Location Register, HSS & Intelligent Network), Media Gateway, Base Station Controller, Signal transfer Point Radio Network Controllers, NMS Servers, Packet Core nodes, Policy and Charging Rules Function, Short Message Service Centre, Short Messaging Service aggregator, Lawful Interception servers, CRBT, MCA, Unstructured Supplementary Service Data, mobile switching centre, Consent gateway, DSTK, Mobile Internet Gateway, Internet gateway, other VAS nodes, IP assets (L2/L3 switches, firewall, routers), SBC, CCT assets etc and electronics of Media Convergence Node other than Dense Wavelength Division Multiplexing & Synchronous Digital Hierarchy;

b. Media Gateway and Media Gateway Controller associated with National Long Distance voice;

c. Equipments pertaining to MCN locations with complete passive infrastructure including DG sets, AMF panel, Distribution panels, Transformers, PAC, AC, False floor, IBMS, SMPS, Battery Banks, UPS, UPS batteries and electrical Cables etc (excluding land and building).

d. All spare equipment modules and consumables available at warehouses and/or any network facility related to above list of equipments/nodes;

e. All end-user equipment used by staff (insourced or outsourced) moving from Demerged Company 2 to Resulting Company 2 including handsets, dongles/MiFi devices and laptop & desktop computers (other than those provided as services under the Office Services agreement).

f. The equipment (excluding CDMA-specific equipment) on operational and non-operational sites/circles, and equipment de-installed from operational and non-operational sites and circles presently stored in the warehouses;

g. All telecom licenses as set out in Annexure C of this Schedule 1;

h. All rights to use spectrum as set out in Annexure C of this Schedule 1, including the frequency and microwave spots (pertaining to liberalised and non-liberalised spectrum) Disclosed in Annexure 10E(7) and Annexure 10E(10) to the RCOM Execution Disclosure Letter, and the RCOM Completion Disclosure Letter, as applicable;

i. Available CENVAT credit on the Completion Date to Demerged Company 2 relating to Demerged Undertaking 3;

j. RTL Wireless Business IPR;

k. Working capital assets including but not limited to advances, deposits, receivables etc., set out in the RCOM Completion Date Accounts;

l. All assets (including network assets) set out in the fixed assets register and CWIP, disclosed as part of the RCOM Completion Date Accounts;

m. All test, monitoring, operations, management equipment, tools and systems associated with the networks being transferred; and

n. Where not included in paragraphs (a) to (m) above, assets relating to Demerged Undertaking 3 accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts, including all assets being used in conduct of the Demerged Undertaking 3 and/or in possession of any third parties under any contract or otherwise.

PART D | IDENTIFIED ASSETS 3 CARVED OUT

The following assets relating to Demerged Carved Out Undertaking:

a. Telecom equipment centralised or decentralised pertaining to 2nd, 3rd and 4th generation of wireless telecommunications technology (excluding CDMA), Radio Access Network, microwave network equipment, Mobile Switching Centre/Global System for Mobile Communication (Including Home Location Register, HSS & Intelligent Network), Media Gateway, Base Station Controller, Signal transfer Point, Packet Core nodes, Policy and Charging Rules Function, Short Message Service Centre, Short Messaging Service aggregator, Lawful Interception servers, CRBT, MCA, Unstructured Supplementary Service Data, mobile switching centre, Consent gateway, DSTK, Mobile Internet Gateway, Internet gateway, other VAS nodes, IP assets (L2/L3 switches, firewall, routers), SBC, CCT assets etc and electronics of Media Convergence Node other than Dense Wavelength Division Multiplexing & Synchronous Digital Hierarchy;

b. Media Gateway and Media Gateway Controller associated with National Long Distance voice;

c. Equipments pertaining to MCN locations with complete passive infrastructure including DG sets, AMF panel, Distribution panels, Transformers, PAC, AC, False floor, IBMS, SMPS, Battery Banks, UPS, UPS batteries and electrical Cables etc. (excluding land and building);

d. All spare equipment modules and consumables available at warehouses and/or any network facility related to above list of equipments/nodes;

e. All end-user equipment used by staff (insourced or outsourced) moving from RTL to Aircel including handsets, dongles/MiFi devices and laptop & desktop computers (other than those provided as services under the Office Services agreement).

f. The equipment (excluding CDMA-specific equipment) on operational and non-operational sites/circles, and equipment de-installed from operational and non-operational sites and circles presently stored in the warehouses;

g. All telecom licenses as set out in Annexure D of this Schedule 1;

h. All rights to use spectrum as set out in Annexure D of this Schedule 1, including the frequency and microwave spots (pertaining to liberalised and non-liberalised spectrum) Disclosed in Annexure 10E(7) and Annexure 10E(10) to the RCOM Execution Disclosure Letter, and the RCOM Completion Disclosure Letter, as applicable;

i. Available CENVAT credit on the Completion Date of Demerged Company 2 relating to Demerged Carved Out Undertaking; and

j. Working capital assets including but not limited to advances, deposits, receivables etc., set out in the RCOM Completion Date Accounts;

k. All assets (including network assets) set out in the fixed assets register and CWIP disclosed as part of the RCOM Completion Date Accounts;

l. All test, monitoring, operations, management equipment, tools and systems associated with the networks being transferred; and

m. Where not included in paragraphs (a) to (l) above, assets relating to the Demerged Carved Out Undertaking accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts, including all assets being used in conduct of the Demerged Carved Out Undertaking and/or in possession of any third parties under any contract or otherwise.

PART 2 | LIABILITIES

PART A | IDENTIFIED LIABILITIES 1

The following liabilities relating to Demerged Undertaking 1:

a. Deferred spectrum payment obligations (including interest accrued but not due) relating to the 2013, 2014 and 2015 spectrum auctions conducted by Department of Telecommunications, Ministry of Communications & Information Technology, Government of India, to the extent they form part of RCOM Regulatory Liabilities;

b. Only such SSTL Liabilities pertaining specifically to only those SSTL Assets being transferred under SSTL Business 1 under this Schedule, and for the avoidance of doubt, excluding those relating to the shutdown and/or exit of the SSTL CDMA business, including any site tenancy lease termination costs;

c. RCOM Regulatory Liabilities to the extent Disclosed or unknown at the Execution Date;

d. RCOM Indirect Tax Liabilities to the extent Disclosed or unknown at the Execution Date

e. RCOM Third Party Liabilities, to the extent Disclosed at the Execution Date, excluding those arising from sites in the circles of Assam, North East, Bihar, West Bengal and Orissa no longer radiating due to loss of 900Mhz spectrum and/or the shutdown and/or exit of those sites, including any site tenancy lease termination costs;

f. Liabilities arising from or relating to the Identified Litigations;

g. RCOM Assumed Debt;

h. Working capital liabilities reflected in the RCOM Completion Date Accounts, as adjusted in accordance with the Merger Agreement;

i. Where not included in paragraphs (a) to (h) above, liabilities relating to Demerged Undertaking 1 accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts, provided no such liability is either not an Excluded Liability or not specifically excluded in this Schedule 1.

PART B | IDENTIFIED LIABILITIES 2

The following liabilities relating to Demerged Undertaking 2:

a. Deferred spectrum payment obligations (including interest accrued but not due) relating to the 2013, 2014 and 2015 spectrum auctions conducted by Department of Telecommunications, Ministry of Communications & Information Technology, Government of India, to the extent they form part of RCOM Regulatory Liabilities;

b. Only such SSTL Liabilities pertaining specifically to only those SSTL Assets being transferred under SSTL Business 2 under this Schedule, and for the avoidance of doubt, excluding those relating to the shutdown and/or exit of the SSTL CDMA business, including any site tenancy lease termination costs;

c. RCOM Regulatory Liabilities to the extent Disclosed or unknown at the Execution Date;

d. RCOM Indirect Tax Liabilities, to the extent Disclosed or unknown at the Execution Date;

e. RCOM Third Party Liabilities, to the extent Disclosed at the Execution Date, excluding those arising from sites in the circles of Assam, North East, Bihar, West Bengal and Orissa no longer radiating due to loss of 900Mhz spectrum and/or the shutdown and/or exit of those sites, including any site tenancy lease termination costs;

f. Liabilities arising from or relating to the Identified Litigations;

g. Working capital liabilities reflected in the RCOM Completion Date Accounts, as adjusted in accordance with the Merger Agreement;

h. Where not included in paragraphs (a) to (g) above, liabilities relating to Demerged Undertaking 2 accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts, provided no such liability is either not an Excluded Liability or not specifically excluded in this Schedule 1.

PART C | IDENTIFIED LIABILITIES 3

The following liabilities relating to Demerged Undertaking 3:

a. Deferred spectrum payment obligations (including interest accrued but not due) relating to the 2013, 2014 and 2015 spectrum auctions conducted by Department of Telecommunications, Ministry of Communications & Information Technology, Government of India, to the extent they form part of RCOM Regulatory Liabilities;

b. RCOM Regulatory Liabilities to the extent Disclosed or unknown at the Execution Date;

c. RCOM Indirect Tax Liabilities to the extent Disclosed or unknown at the Execution Date;

d. RCOM Third Party Liabilities to the extent Disclosed at the Execution Date, excluding those arising from sites in the circles of Assam, North East, Bihar, West Bengal and Orissa no longer radiating due to loss of 900Mhz spectrum and/or the shutdown and/or exit of those sites, including any site tenancy lease termination costs;

e. Liabilities arising from or relating to the Identified Litigations;

f. Working capital liabilities reflected in the RCOM Completion Date Accounts, as adjusted in accordance with the Merger Agreement; and

g. Where not included in paragraphs (a) to (f) above, liabilities relating to the Demerged Undertaking 3 accounted for (but not necessarily expressly listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts provided no such liability is either not an Excluded Liability or not specifically excluded in this Schedule 1.

PART D | IDENTIFIED LIABILITIES 3 CARVED OUT

The following liabilities relating to Demerged Carved Out Undertaking:

a. Deferred spectrum payment obligations (including interest accrued but not due) relating to the 2013, 2014 and 2015 spectrum auctions conducted by Department of Telecommunications, Ministry of Communications & Information Technology, Government of India, to the extent they form part of RCOM Regulatory Liabilities;

b. RCOM Regulatory Liabilities to the extent Disclosed or unknown at the Execution Date;

c. RCOM Indirect Tax Liabilities to the extent Disclosed or unknown at the Execution Date;

d. RCOM Third Party Liabilities to the extent Disclosed at the Execution Date, excluding those arising from sites in the circles of Assam, North East, Bihar, West Bengal and Orissa no longer radiating due to loss of 900Mhz spectrum and/or the shutdown and/or exit of those sites, including any site tenancy lease termination costs;

e. Working capital liabilities reflected in the RCOM Completion Date Accounts, as adjusted in accordance with the Merger Agreement;

f. Liabilities arising from or relating to the Identified Litigations;

g. Where not included in paragraphs (a) to (f) above, liabilities relating to the Demerged Carved Out Undertaking accounted for (but not necessarily specifically listed) in the Accounts, the RCOM Measurement Date Accounts or the RCOM Completion Date Accounts provided no such liability is either not an Excluded Liability or not specifically excluded in this Schedule 1.

ANNEXURE A | DEMERGED UNDERTAKING 1 LICENSES

Reliance Communications Limited

The validity of the Licenses is 20 years.

UASL License Agreements(Access)

Sr. No.	Service Area	License No.	Date of Agreement	Effective Date of Agreement	Valid Upto
1.	ANDHRA PRADESH	10-02/2004-BS-II/RIL/A.P.	14-Nov-03	20-Jul-01	19-Jul-21
2.	DELHI	10-21/2004-BS-II/RIL/DELHI	14-Nov-03	20-Jul-01	19-Jul-21
3.	GUJARAT	10-05/2004-BS-II/RIL/GUJARAT	14-Nov-03	30-Sep-97	29-Sep-17
4.	KARNATAKA	10-09/2004-BS-II/RIL/KARNATAKA	14-Nov-03	20-Jul-01	19-Jul-21
5.	MAHARASHTRA	10-12/2004-BS-II/RIL/MAHARASHTRA	14-Nov-03	20-Jul-01	19-Jul-21
6.	MUMBAI	10-23/2004-BS-II/RIL/MUMBAI	14-Nov-03	20-Jul-01	19-Jul-21
7.	RAJASTHAN	10-16/2004-BS-II/RIL/RAJASTHAN	14-Nov-03	20-Jul-01	19-Jul-21
8.	TAMILNADU (Incl.Chennai)	10-17/2004-BS-II/RIL/TAMILNADU	14-Nov-03	26-Sep-01	25-Sep-21

DETAILS OF SPECTRUM RELATING TO DEMERGED UNDERTAKING 1											
Sr. No.	Circle	800 MHz - Liberalized		800 MHz - Auction		1800 MHz - Admin		1800 MHz - Auction		2100 MHz - Auction	
		Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry
		MHz	Date	MHz	Date	MHz	Date	MHz	Date	MHz	Date
1	Delhi	1.25 (875.550)	19-Jul-21			4.4 (1843.1-1847.5)	19-Jul-21			5 (2164-2169)	31-Aug-30
2	Mumbai	5 (883.53, 884.76, 885.99, 887.22)	19-Jul-21			4.4 (1843.3-1847.7)	19-Jul-21	0.6 (1828.1-1828.7)	07-Sep-34	5 (2149-2154)	31-Aug-30
3	Andhra Pradesh	1.25 (881.07)	19-Jul-21			4.4 (1846.3-1850.7)	19-Jul-21				
4	Gujarat			2.5 (882.60, 883.830)	27-May-35	4.4 (1839.3-1843.7)	29-Sep-17				
5	Karnataka	1.25 (881.07)	19-Jul-21			4.4 (1838.5-1842.9)	19-Jul-21	0.6 (1830.1-1830.7)	26-May-35		
6	Maharashtra	1.25 (881.37)	19-Jul-21			4.4 (1838.1-1842.5)	19-Jul-21				
7	Tamil Nadu	1.25 (881.07)	25-Sep-21			4.4 (1805.2-1809.4)	25-Sep-21				
8	Rajasthan	1.25 (885.99)	19-Jul-21			4.4 (1855.5-1859.9)	19-Jul-21			5 (2149-2154)	31-Aug-30
		12.5		2.5		35.2		1.2		15	

ANNEXURE B | DEMERGED UNDERTAKING 2 LICENSES

Reliance Communications Limited

The validity of the Licenses is 20 years.

UASL License Agreements(Access)

Sr. No.	Service Area	License No.	Date of Agreement	Effective Date of Agreement	Valid Upto
1.	BIHAR	10-04/2004-BS-II/RIL/BIHAR	14-Nov-03	20-Jul-01	19-Jul-21
2.	HARYANA	10-06/2004-BS-II/RIL/HARYANA	14-Nov-03	20-Jul-01	19-Jul-21
3.	HIMACHAL PRADESH	10-07/2004-BS-II/RIL/H.P.	14-Nov-03	20-Jul-01	19-Jul-21
4.	JAMMU KASHMIR	20-208/2004-RELIANCE/BSIII	21-Sep-04	6-Sep-04	5-Sep-24
5.	KERALA	10-10/2004-BS-II/RIL/KERALA	14-Nov-03	20-Jul-01	19-Jul-21
6.	KOLKATA	10-22/2004-BS-II/RIL/KOLKATA	21-Nov-03	20-Jul-01	19-Jul-21
7.	MADHYA PRADESH	10-11/2004-BS-II/RIL/MADHYAPRADESH	14-Nov-03	20-Jul-01	19-Jul-21
8.	ORISSA	10-14/2004-BS-II/RIL/ORISSA	14-Nov-03	20-Jul-01	19-Jul-21
9.	PUNJAB	10-15/2004-BS-II/RIL/PUNJAB	14-Nov-03	20-Jul-01	19-Jul-21
10.	UTTAR PRADESH(EAST)	10-19/2004-BS-II/RIL/UP(E)	14-Nov-03	20-Jul-01	19-Jul-21
11.	UTTAR PRADESH(WEST)	10-18/2004-BS-II/RIL/UP(W)	14-Nov-03	20-Jul-01	19-Jul-21
12.	WEST BENGAL	10-01/2004-BS-II/RIL/WESTBENGAL	21-Nov-03	20-Jul-01	19-Jul-21

DETAILS OF SPECTRUM RELATING TO DEMERGED UNDERTAKING 2													
Sr. No.	Circle	800 MHz - Liberalized		800 MHz - Auction				1800 MHz - Admin		1800 MHz – Auction		2100 MHz - Auction	
		Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry
		MHz	Date	MHz	Date	MHz	Date	MHz	Date	MHz	Date	MHz	Date
1	Kolkata			1.25 (882.9)	20-Dec-35								
2	Haryana	3.75 (874.32, 875.55, 876.78)	19-Jul-21	1.25 (873.09)	27-May-35			4.4 (1839.7-1844.1)	19-Jul-21	0.6 (1828.7-1829.3)	26-May-35		
3	Kerala	1.25 (881.07)	19-Jul-21					4.4 (1853.7-1858.1)	19-Jul-21				
4	Madhya Pradesh	5 (881.07, 882.3, 883.53, 884.76	19-Jul-21										
5	Punjab			1.25 (878.61)	20-Dec-35	1.25 (879.84)	27-May-35	4.4 (1840.5-1844.9)	19-Jul-21	0.6 (1822.5-1823.1)	26-May-35	5 (2154-2159)	31-Aug-30
6	Uttar Pradesh (East)	3.75 (875.55, 876.78, 878.01)	19-Jul-21					4.4 (1844.9-1849.3)	19-Jul-21				
7	Uttar Pradesh (West)			1.25 (880.47)	27-May-35			4.4 (1852.1-1856.5)	19-Jul-21				
8	West Bengal			1.25 (887.22)	27-May-35								
9	Bihar	5 (878.61, 879.84, 881.07, 882.3)	19-Jul-21										
10	Himachal Pradesh	2.5 (881.07, 882.3)	19-Jul-21	2.5 (878.61, 879.84)	27-May-35								
11	Jammu & Kashmir	2.5 (886.59, 887.82)	5-Sep-24	2.5 (884.13, 885.36)	27-May-35			4.4 (1817.3-1821.1), (1825.5-1826.1)	05-Sep-24			5 (2159-2164)	31-Aug-30
12	Odisha	3.75 (879.84, 881.07, 882.3)	19-Jul-21	1.25 (878.61)	27-May-35								
		27.5		12.5		1.25		26.4		1.2		10	

ANNEXURE C | DEMERGED UNDERTAKING 3 LICENSES

DEMERGED COMPANY 2 THE VALIDITY OF THE LICENSES IS 20 YEARS.				
Sr. No.	**Service Area**	**UL License No.**	**Effective Date of Agreement**	**Valid Upto**
1	ASSAM	20-473/2015 AS-I/ dated17.08.2015	12.12.2015	11.12.2035
2	BIHAR			11.12.2035
3	HIMACHAL PRADESH			11.12.2035
4	MADHYA PRADESH			11.12.2035
5	NORTH EAST			11.12.2035
6	ORISSA			11.12.2035
7	WEST BENGAL			11.12.2035
UASL after Migration (Access)				
			Date of Migration Agreement	**Valid Upto**
8	KOLKATA	18-2/2009/AS-III/RTL/Kolkata	16-Apr-09	26.09.2021

DETAILS OF SPECTRUM RELATING TO DEMERGED UNDERTAKING 3

Sr. No.	**Circle**	**800 MHz - Liberalized**	**800 MHz - Auction**				**900 MHz - Auction**		**1800 MHz - Admin**		**1800 MHz - Auction**		**2100 MHz - Auction**	
		Spectrum	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**
		MHz	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**
1	Kolkata								6.2 (1844.9-1851.1)	19-Jul-21			5 (2164-2169)	31-Aug-30
2	Madhya Pradesh						5 (935.1-940.1)	11-Dec-35					5 (2154-2159)	31-Aug-30
3	West Bengal												5 (2154-2159)	31-Aug-30
4	Assam		2.5 (885.99, 887.22)	11-Dec-35	2.5 (883.53, 884.76)	27-May-35							5 (2149-2154)	31-Aug-30
5	Bihar												5 (2159-2164)	31-Aug-30
6	Himachal Pradesh						5 (935.1-940.1)	11-Dec-35					5 (2164-2169)	31-Aug-30
7	North East		2.5 (881.07, 882.3)	11-Dec-35	2.5 (878.61, 879.84)	27-May-35					5 (1831.1-1836.1)	11-Dec-35	5 (2164-2169)	31-Aug-30
8	Odisha										5 (1831.3-1836.3)	11-Dec-35	5 (2164-2169)	31-Aug-30
		0	5		5		10		6.2		10		40	

ANNEXURE D | DEMERGED CARVED OUT UNDERTAKING LICENSES

DEMERGED COMPANY 2 The validity of the Licenses is 20 years.				
Sr. No.	**Service Area**	**UL License No.**	**Effective Date of Agreement**	**Valid Upto**
1	BIHAR	20-473/2015 AS-I/ dated17.08.2015	12.12.2015	11.12.2035
2	HIMACHAL PRADESH			11.12.2035
3	MADHYA PRADESH			11.12.2035
4	ORISSA			11.12.2035
5	WEST BENGAL			11.12.2035

DETAILS OF SPECTRUM RELATING TO DEMERGED CARVED OUT UNDERTAKING														
Sr. No.	**Circle**	**800 MHz - Liberalized**	**800 MHz - Auction**				**900 MHz - Auction**		**1800 MHz - Admin**		**1800 MHz - Auction**		**2100 MHz - Auction**	
		Spectrum	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**	**Spectrum**	**Expiry**
		MHz	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**	**MHz**	**Date**
1	Bihar												5 (2159-2164)	31-Aug-30
2	Himachal Pradesh						5 (935.1-940.1)	11-Dec-35					5 (2164-2169)	31-Aug-30
3	Madhya Pradesh						5 (935.1-940.1)	11-Dec-35					5 (2154-2159)	31-Aug-30
4	Odisha										5 (1831.3-1836.3)	11-Dec-35	5 (2164-2169)	31-Aug-30
5	West Bengal												5 (2154-2159)	31-Aug-30
		0	0		0		10		0		5		25	

ANNEXURE E | SSTL BUSINESS 1 LICENSES

Sistema Shyam Teleservices Limited The validity of the Licenses is 20 years. UASL License Agreements(Access)					
Sr. No.	Service Area	License No.	Date of Agreement	Effective Date of Agreement	Valid Upto
1.	DELHI	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	02-Oct-33
2.	GUJARAT	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33
3.	KARNATAKA	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33
4.	RAJASTHAN	10-16/2004-BS-II/STL/Rajasthan	14.11.2003	04.03.1998	03-Mar-18
5.	TAMILNADU (Incl.Chennai)	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33

DETAILS OF SPECTRUM RELATING TO SSTL BUSINESS 1											
Sr. No.	Circle	800 MHz - Liberalized		800 MHz - Auction		1800 MHz - Admin		1800 MHz - Auction		2100 MHz - Auction	
		Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry
		MHz	Date	MHz	Date	MHz	Date	MHz	Date	MHz	Date
1	Delhi			3.75 (874.02, 886.59, 887.82)	2-Oct-33						
2	Gujarat			3.75 (872.79, 874.02, 881.07)	2-Oct-33						
3	Karnataka			3.75 (874.02, 886.59, 887.82)	2-Oct-33						
4	Tamil Nadu			3.75 (874.02, 886.59, 887.82)	2-Oct-33						
5	Rajasthan	2.5 (872.79, 874.02)	03-Mar-18					4.4 (1832.5-1836.9)	03-Mar-18		
		2.5		18.75				4.4			

ANNEXURE F | SSTL BUSINESS 2 LICENSES

Sistema Shyam Teleservices Limited The validity of the Licenses is 20 years. UASL License Agreements(Access)					
Sr. No.	Service Area	License No.	Date of Agreement	Effective Date of Agreement	Valid Upto
1.	KERALA	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33
2.	KOLKATA	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33
3.	UTTAR PRADESH(WEST)	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33
4.	West Bengal	20-384/2013 AS-I Vol-II	03.10.2013	03.10.2013	2-Oct-33

DETAILS OF SPECTRUM RELATING TO SSTL BUSINESS 2											
Sr. No.	Circle	800 MHz - Liberalized		800 MHz – Auction		1800 MHz - Admin		1800 MHz – Auction		2100 MHz – Auction	
		Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry	Spectrum	Expiry
		MHz	Date	MHz	Date	MHz	Date	MHz	Date	MHz	Date
1	Kolkata			3.75 (877.08, 880.17, 881.4)	2-Oct-33						
2	Kerala	3.75 (874.02, 886.59, 887.82)	2-Oct-33								
3	Uttar Pradesh (West)	3.75 (874.02, 886.59, 887.82)	2-Oct-33								
4	West Bengal	3.75 (876.78, 880.77, 882.0)	2-Oct-33								
		11.25		3.75							

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

Dated: 14 September 2016

To

The Audit Committee **Reliance Communications Limited** H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710, Maharashtra, India.	**The Audit Committee** **Aircel Limited** Aircel, 5th Floor, Building 10A, DLF Cyber City, DLF Phase 2 Gurgaon-122002, Haryana India.

Sub: Recommendation of the share entitlement for the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited in to Aircel Limited

Dear Sir / Madam,

We refer to the engagement letters wherein Aircel Limited (hereinafter after referred to as "Aircel") and Reliance Communications Limited (hereinafter after referred to as "RCOM") have requested S.R. Batliboi & Co. LLP (hereinafter referred to as "SRBC", 'we', or 'us') to recommend a share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM in to Aircel.

RCOM and Aircel are together hereinafter referred to as the 'Companies'.

SCOPE AND PURPOSE OF THIS REPORT

RCOM is a listed company headquartered in Mumbai, India. RCOM provides telecommunication services to individuals, enterprise, and carrier customers in India and internationally. The company offers voice and data wireless services, wireline broadband services, tower infrastructure services and ethernet services etc. For the year ended 31 March 2016, the company reported audited consolidated income from operations and profit after tax of ₹21,711 crores and ₹681 crores respectively.

Aircel provides GSM mobile services in India. It offers voice and data services ranging from post-paid and prepaid plans and 2G and 3G services. Aircel was incorporated in 1994 and is based in Gurgaon, India. For the year ended 31 December 2015, Aircel reported audited consolidated revenue from operations and loss of ₹11,396 crores and ₹2,215 crores respectively.

S.R. BATLIBOI & CO. MUMBAI

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

We understand that the Management of the Companies are contemplating a demerger of the wireless operations and International/National Long distance operations of RCOM / Reliance Telecom Limited ("RTL", a 100% subsidiary of the RCOM) and the recent operations / assets to be acquired from Sistema ShyamTeleServices Limited ("SSTL"), hereinafter collectively referred to as the "Specified Telecom Operations of RCOM". The Specified Telecom Operations of RCOM would be then transferred in to the operations of Aircel / Dishnet Wireless Limited ("DWL", a 100% subsidiary of Aircel) ("Transaction") through a Composite Scheme of Arrangement. As consideration for the same, Aircel would issue equity shares to RCOM. In this connection, the Companies have appointed SRBC to recommend a share entitlement for the proposed demerger.

We understand that the appointed date for the Transaction will be the effective date.

For the aforesaid purpose, the Companies have appointed SRBC to prepare a report to be placed before the Board of Directors/Audit Committee of the Companies on the share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM in to Aircel.

We have been provided with special purpose audited financials of Aircel for the 12 months ended 31 December 2015 and unaudited financial information for the Specified Telecom Operations of RCOM for nine months ended 31 December 2015. The Management has informed us that they do not expect significant changes in the business till the effective date. Further, we have been informed that the existing promoter loans and redeemable preference shares in Aircel would get converted into equity shares (out of which, some of them would get subsequently cancelled by way of capital reduction) such that the debt of Aircel would reduce to ₹14,000 crores as on the effective date.

We understand from the Management of RCOM that demerger of (a) certain circles of RTL into RCOM and (b) SSTL undertaking into RCOM, will get completed before the effective date. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our report.

We understand from the Management that except for the shareholder loans/RPS conversion and capital reductions, there would not be any capital variation in Aircel till the effective date, other than those necessary to fund interim capex/opex requirements. These will be done 'at par value' and will not impact the effective shareholding of RCOM in the combined entity. We have relied on the same for our analysis.

We have relied on the above for the purposes of our analysis.

This report is our deliverable for the aforesaid purpose.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and / or gathered from public domain:

- With respect to Aircel
  - Consolidated Annual reports of Aircel for year ended 31 March 2015 and special purpose audited consolidated financials for year ended 31 December 2015
  - Unaudited quarterly financial statements ended 31 March 2015 to 31 December 2015
  - Historical circle-wise key operational parameters including revenue and subscriber
  - Current Shareholding Pattern of Aircel
  - Details of deferred spectrum liability
  - Details of circle-wise Spectrum holdings

- With respect to RCOM
  - Annual report of RCOM for year ended 31 March 2015 and other publicly available financial information
  - Unaudited financial statements of the Specified Telecom Operations of RCOM for nine months ended 31 December 2015
  - Historical circle-wise key operational parameters including revenue and subscriber split into GSM and CDMA
  - Details of deferred spectrum liability
  - Details of circle-wise Spectrum holdings
  - Circle wise revenue details for the three Demerged Undertakings of RCOM/RTL

- Draft Composite Scheme of Amalgamation

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Companies have been provided with the opportunity to review the draft report (excluding share entitlement) as part of our standard practice to ensure that factual inaccuracies / omissions are avoided in our final report.

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the audited balance sheet as at 31 December 2015 of Aircel and the unaudited balance sheet as at 31 December 2015 of the Specified Telecom Operations of RCOM. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of our engagements and as is customary in valuations, we have assumed and relied upon, without independent verification, the accuracy of information made available to us by the Companies. We have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information furnished by the Companies. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only RCOM and Aircel and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without our prior written consent.

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

SHARE CAPITAL

Reliance Communications Limited

The issued, subscribed and paid up equity share capital of RCOM as at 30 June 2016 is ₹1,244 crores consisting of 2,48,89,79,745 equity shares of ₹ 5 each fully paid up. The shareholding pattern is as follows:

Particulars	Number of shares	% shareholding
(A) Promoter & Promoter Group	1,46,46,96,844	59%
(B) Public	99,45,88,264	40%
(C) Non Promoter-Non Public	2,96,94,637	1%
Grand Total (A + B + C)	**2,48,89,79,745**	**100%**

Source: BSE filing (As at 30 June 2016)

Aircel Limited

The current issued, subscribed and paid up equity share capital of Aircel is ₹ 243 crores, consisting of 24,32,43,243 equity shares of face value of ₹ 10 each fully paid up. The shareholding pattern is as follows:

Particulars	Number of shares	% shareholding
(A) Global Communication Services Holdings Ltd.	15,81,08,108	65%
(B) Deccan Digital Networks Pvt Ltd	8,51,35,135	35%
Grand Total (A+B)	24,32,43,243	100%

Source: Management

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

APPROACH - BASIS OF THE DEMERGER

We understand from the Management that the proposed Scheme of Arrangement contemplates the demerger of the Specified Telecom Operations of RCOM in to Aircel pursuant to the Scheme under sections 391 to 394 of the Companies Act, 1956. Arriving at the fair share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM in to Aircel would require determining the fair value of Aircel in terms of the fair value of the Specified Telecom Operations of RCOM. These values are to be determined independently without considering the current demerger Transaction or possible upside on account of synergies, and hence do not include any possible strategic premium.

There are several commonly used and accepted methods for determining the fair value of the Aircel / Specified Telecom Operations of RCOM, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of business / companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner, based on our previous experience of assignments of a similar nature.

Market Price (MP) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger/demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

Even though RCOM is a listed company, only the Specified Telecom Operations of RCOM are part of the Transaction and Aircel is not listed on any stock exchange. Hence, we have not considered market price method for the present exercise.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have considered the Enterprise Value (EV)/Sales of listed comparable companies for the purpose of our valuation analysis.

Discounted Cash Flows (DCF) Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The Management has not provided us the business plans. Given the aforesaid, we have not undertaken a Discounted Cash Flows (DCF) analysis.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

We have considered it appropriate to use NAV on a replacement cost basis in our analysis considering that telecom spectrum is a significant intangible asset for these businesses for which auction price benchmarks are available. Apart from spectrum and other select intangibles, the balance assets have been primarily considered at book values.

While applying this method, we have effectively done a Sum-of-the-Parts (SOTP) analysis circle by circle, where certain circles with potential intrinsic value/possible differential strategic options are valued based on NAV method (while others continue to be valued based on CCM method).

BASIS OF THE DEMERGER

The basis of valuation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

Aircel and the Specified Telecom Operations of RCOM were valued using SOTP (circle wise NAV/CCM) and CCM methods. We have considered appropriate to assign higher weight to SOTP method and lower weight to CCM method.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the Management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend that the fair entitlement for the Proposed demerger of the Specified Telecom Operations of RCOM in to Aircel should be such that additional equity shares of 97% to 105% (rounded off) of pre-demerger share capital of Aircel (post conversion of planned shareholder loans/preference shares into equity and reduction of capital) gets issued to RCOM. The planned conversion of shareholder loans / preference shares in to equity is a condition precedent to our Report.

Recommendation of share entitlement for the proposed demerger of the Specified Telecom Operations of RCOM into Aircel

It should be noted that we have not examined any other matter including economic rationale for the Transaction per se or accounting, legal or tax matters involved in the Transaction.

Respectfully submitted,

S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Ravi Bansal
Partner
Membership No: 49365
Place: Mumbai
Date: 14 September 2016

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

Dated: 14 September 2016

To,

The Board of Directors
Aircel Limited
Aircel, 5th Floor, Building 10A,
DLF Cyber City, DLF Phase 2
Gurgaon-122002, Haryana (India).

Sub: Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited in to Aircel Limited

Dear Sir / Madam,

We refer to the engagement letter wherein Aircel Limited (hereinafter after referred to as "Aircel") has requested S.R. Batliboi & Co. LLP (hereinafter referred to as 'SRBC', 'we', or 'us') to recommend a fair equity exchange ratio/share entitlement for the proposed merger of Deccan Digital Networks Private Limited ("Deccan") and South Asia Communications Private Limited ("SAC") in to Aircel.

Deccan, SAC and Aircel are together hereinafter referred to as the 'Companies'.

SCOPE AND PURPOSE OF THIS REPORT

Aircel provides GSM mobile services in India. It offers voice and data services ranging from post-paid and prepaid plans and 2G and 3G services. The company was incorporated in 1994 and is based in Gurgaon, India. For the year ended 31 December 2015, the company reported audited consolidated revenues and loss of ₹11,396 crores and ₹2,215 crores respectively.

Deccan is a private company holding 35% stake in Aircel in form of equity shares. Sindya Securities & Investments Private Limited ("SSIPL") owns 74.3% stake in Deccan, with the balance 25.7% owned by Global Communication Services Holdings ("GCSH", Mauritius). GCSH is an indirect 100% subsidiary of Maxis Communication Berhard of Malaysia, and owns balance 65% stake in Aircel.

SAC is a 100% subsidiary of GCSH and holds investment in Deccan in the form of cumulative non-convertible Redeemable Preference Shares ("RPS") of ₹1,645 crores of ₹10 each. These preference shares are redeemable in 2026 at a premium of 22% over face value and have a coupon rate of 0.01% p.a.

Deccan and SAC are holding companies without any operations. Further, effectively SAC's only investment is in Deccan and Deccan's only investment is in Aircel.

We understand that the Management of the Companies are contemplating amalgamation of the Deccan and SAC into Aircel ("Proposed Merger") through a Scheme of Arrangement

under the provisions of Section 391-394 of the Companies Act, 1956 ('Scheme of Arrangement'). As consideration for this Proposed Merger, Aircel proposed to issue equity shares to the shareholders of Deccan and SAC.

The RPS held by SAC in Deccan is proposed to be cancelled by way of capital reduction as part of the same Scheme of Arrangement. As provided in the scheme, the aforesaid capital reduction is independent of other parts in the Scheme of Arrangement and precedes other actions proposed in the Scheme. The aforesaid capital reduction is a condition precedent to this report.

For the aforesaid purpose, Aircel have appointed SRBC to prepare a report to be placed before the Board of Directors of the Companies on recommendation of the fair equity exchange ratio/share entitlement for the Proposed Merger.

We have been provided with audited financials of Aircel up to 31 December 2015 and unaudited financials of Deccan and SAC up to 31 March 2016. Further, we have been informed that the promoter loans and redeemable preference shares in Aircel would get converted into equity shares (out of which, some of them would get subsequently cancelled by way of capital reduction) such that the debt of Aircel would reduce to ₹ 14,000 crores as on the effective date and the revised number of equity shares of Aircel would be 13,99,66,65,135 (excluding the impact of capex / opex funding in the interim period up to Scheme becoming effective).

The Management of Aircel has represented to us that there is no significant change in business operations and financial position of Aircel from last reported financials as of 31 December 2015 provided to us till date.

The Management of SAC and the Management of Deccan has represented to us that there is no significant change in the financial position of SAC and Deccan from last reported financials as of 31 March 2016 provided to us till date.

We have relied on the above for the purposes of our analysis.

This report is our deliverable for the aforesaid purpose.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

S.R. BATLIBOI & CO. MUMBAI CHARTERED ACCOUNTANTS

Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan and SAC in to Aircel

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management/their representatives and / or gathered from public domain:

- With respect to Aircel
  - Audited consolidated financial statements of Aircel for year ended 31 March 2015 and special purpose audited consolidated financials for year ended 31 December 2015.
  - Unaudited quarterly financial statements ended 31 March 2015 to 31 December 2015.
  - Current Shareholding Pattern of Aircel.
  - Details of deferred spectrum liability
  - Details of circle-wise Spectrum holdings

- With respect to SAC
  - Audited financial statements for the year ended 31 March 2015
  - Unaudited financial statements of SAC for year ended 31 March 2016 including balance sheet, statement of profit & loss, cash flow statement and notes to the financial statements.

- With respect to Deccan
  - Audited financial statements for the year ended 31 March 2015
  - Unaudited financial statements of Deccan for year ended 31 March 2016 including balance sheet, statement of profit & loss, cash flow statement and notes to the financial statements.

- Draft Scheme of Arrangement

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Companies have been provided with the opportunity to review the draft report, and check with Deccan and SAC as appropriate, as part of our standard practice to ensure factual inaccuracies / omissions is avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the special purpose audited balance sheet as at 31 December 2015 of Aircel and the unaudited balance sheet as at 31 March 2016 of Deccan and SAC. A valuation of this nature is necessarily based on the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of our engagements and as is customary in valuations, we have assumed and relied upon, without independent verification, the accuracy of information made available to us by the Companies. We have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information furnished by the Companies. However nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations including legal structure, foreign exchange/direct investment regulations, etc. unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary,

this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.

This report does not look into the business/ commercial reasons behind the Proposed Merger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We express no opinion or recommendation as to how the shareholders of the Companies should vote in connection with the Proposed Merger.

No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Aircel and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without our prior written consent.

S.R. BATLIBOI & CO. MUMBAI CHARTERED ACCOUNTANTS

Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan and SAC in to Aircel

SHARE CAPITAL

Aircel Limited

The issued, subscribed and paid up equity share capital of Aircel as at 31 March 2016 is ₹ 243 crores, consisting of 243,243,243 equity shares of face value of ₹ 10 each fully paid up. The shareholding pattern is as follows:

Particulars	Number of shares	% shareholding
(A) Global Communication Services Holdings Limited	15,81,08,108	65%
(B) Deccan Digital Networks Private Limited	8,51,35,135	35%
Grand Total (A+B)	24,32,43,243	100%

Source: Management

The Scheme of Arrangement also proposes a separate demerger transaction with Reliance Communications Limited (hereinafter after referred to as "RCOM"), which would result in Aircel issuing additional shares as consideration for the demerger. However the demerger transaction would not change the per share value of equity shares of Aircel that needs to be considered for the purposes of the Proposed Merger.

Deccan Digital Networks Private Limited

The issued, subscribed and paid up equity share capital of Deccan as at 31 March 2016 is ₹ 46 crores, consisting of 46,000,000 equity shares of face value of ₹ 10 each fully paid up. The shareholding pattern is as follows:

Particulars	Number of shares	% shareholding
(A) Sindya Securities and Investments Private Limited	3,41,71,560	74.29%
(B) Global Communication Services Holdings Ltd, Mauritius	1,18,28,440	25.71%
Grand Total (A+B)	4,60,00,000	100.00%

Source: Management

In addition, as mentioned earlier, SAC has also invested in RPS of Deccan. The Management of the Companies has informed us that the RPS would get cancelled before the Proposed Merger.

South Asia Communications Private Limited

The issued, subscribed and paid up equity share capital of SAC as at 31 March 2016 is ₹ 6.2 crores, consisting of 6,217,278 equity shares of face value of ₹ 10 each fully paid up. As informed by the Management, these are entirely held by GCSH.

In addition, GCSH has also invested in RPS of SAC (which has in turn been used by SAC to invest in RPS of Deccan).

S.R. BATLIBOI & CO. MUMBAI CHARTERED ACCOUNTANTS

Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan and SAC in to Aircel

APPROACH - BASIS OF THE MERGER

We understand from the Management that the proposed Scheme of Arrangement contemplates the Amalgamation of the Companies pursuant to the Scheme under Section 391-394 of the Companies Act, 1956. Arriving at the fair share entitlement for the Proposed Merger Deccan and SAC in to Aircel would require determining the fair value of Aircel in terms of the fair value of Deccan and SAC. These values are to be determined independently without considering the Proposed Merger.

There are several commonly used and accepted methods for determining the fair value of the Companies, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies Quoted Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control.

The application of any particular method of valuation depends on the purpose for which the valuation is done and surrounding facts. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner, based on our previous experience of assignments of a similar nature.

Market Price (MP) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Since Aircel, SAC and Deccan are not listed on any stock exchange, we have not considered this method.

Comparable Companies' Quoted Multiple (CCM) method

S.R. BATLIBOI & CO. MUMBAI CHARTERED ACCOUNTANTS

Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan and SAC in to Aircel

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

For valuation of Aircel, we have considered the Enterprise Value (EV)/Sales multiple of listed comparable companies.

Considering Deccan and SAC do not have any business operations, we have not used this method.

Discounted Cash Flows (DCF) Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The Management has not provided us the business plan of Aircel. Given the aforesaid, we have not undertaken a DCF analysis.

Considering Deccan and SAC do not have any business operations, we have not used this method.

Additionally, we have used a Sum-of-the-Parts (SOTP) approach for Aircel, where we have done our analysis by applying the aforesaid methods circle-wise.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. We have considered it appropriate to use NAV on a replacement cost basis in our analysis for valuation of Aircel considering that telecom spectrum is a significant intangible asset for which auction price benchmarks are available. Apart from spectrum and other select intangibles, the balance assets have been primarily considered at book values, While applying

S.R. BATLIBOI & CO. MUMBAI CHARTERED ACCOUNTANTS

this method, we have effectively done a Sum-of-the-Parts (SOTP) analysis circle by circle, where certain circles with potential intrinsic value/possible differential strategic options are valued based on NAV method (while others continue to be valued based on CCM method).

Considering Deccan and SAC do not have any business operations, we have used NAV (book value adjusted for value of underlying investments).

Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan and SAC in to Aircel

BASIS OF THE MERGER

The basis of valuation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

Aircel has been valued using SOTP (circle wise NAV/CCM) and CCM methods. Deccan and SAC have been valued using NAV (book value adjusted for value of underlying investments).

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. This concept is also recognized in judicial decisions.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend:

- Share swap ratio for the proposed merger of Deccan in to Aircel should be 187 (One hundred eighty seven) equity shares of Aircel of ₹10/- each fully paid up to be issued for every 100 (One Hundred) equity shares of Deccan of ₹ 10/- each fully paid up.
- 24,49,999[1] equity shares of Aircel of ₹10/- each fully paid up to GCSH for its RPS held in SAC.
- As per our computation, no consideration is to be paid to the equity shares of SAC. However, the Management has represented to us that they would like to issue 1 (one) equity share of Aircel of ₹10/- fully paid up to GCSH for its equity shares held in SAC, as a token consideration. Considering that GCSH holds all shares in SAC, we believe this is not unfair.

The Management has informed us that the reduction of shareholder loans/RPS of Aircel and reduction of share capital of Aircel (such that debt in Aircel becomes ₹ 14,000 crores and number of shares of Aircel becomes 13,99,66,65,135 before the Proposed Merger in Aircel) is simultaneous with other steps in the Scheme but also condition precedents to other steps. Further, the capital reduction in Deccan is an independent step happening prior to other steps. Therefore our analysis/recommendation would change in case these condition precedents are not fulfilled or capital reduction in Deccan does not materialize earlier.

S.R. BATLIBOI & CO. MUMBAI CHARTERED ACCOUNTANTS

[1] 24,50,000 (rounded off) equity shares of Aircel *Less* 1(one) equity share of Aircel to GCSH for its equity shares held in SAC

Recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan and SAC in to Aircel

It should be noted that we have not examined any other matter including economic rationale for the Proposed Merger per se or accounting, legal or tax matters involved in the Proposed Merger.

Respectfully submitted,

S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Ravi Bansal
Partner
Membership No: 49365
Place: Mumbai
Date: 14 September 2016

14 September, 2016

The Board of Directors
Reliance Communications Limited
H Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai - 400710, Maharashtra, India

Dear Sirs,

Reg: Fairness Opinion on the recommendation of share entitlement for the proposed demerger of part Undertakings of Reliance Communications Limited ("RCom") and its wholly owned subsidiary Reliance Telecom Limited ("RTL") into Aircel Limited ("Aircel") and its subsidiary Dishnet Wireless Limited ("DWL") in consideration for issue of shares of Aircel Limited.

Keynote Corporate Services Limited ("**Keynote**" or "**we**" or "**us**") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to issue a report on fairness on the Share Entitlement for the transaction of transfer of part undertakings of Reliance Communications Limited ("RCom") and its wholly owned subsidiary Reliance Telecom Limited ("RTL") to Aircel Limited ("Aircel") and its subsidiary Dishnet Wireless Limited ("DWL") in consideration for issue of shares of Aircel Limited. We have perused the documents/ information provided by you in respect of the said Arrangement and the Valuation Report as issued by **S.R. Batliboi & Co. LLP** dated 14 September 2016 and state as follows:

Company Profile:

Reliance Communications Limited is an India-based company that provides telecommunications services to individuals, enterprise and carrier customers in India and internationally. RCom itself and, through its subsidiaries, offers a chain of wireless (third generation (3G) services), wireline broadband services, national long distance, international, voice, data, video, direct-to-home (DTH) and Internet-based communications services. It operates in two segments: the India Operations and the Global Operations. RCom's India operations segment includes wireless telecommunications services to retail customers through code division multiple access (CDMA) and global system for mobile (GSM) technology-based networks across India. Its Global Business Unit offers a portfolio of enterprise, information technology (IT) infrastructure and international long distance voice, video and data network services across the globe. RCom offers next generation, integrated and convergent digital network that supports services spanning the entire communications value chain. The registered office of RCom is situated in Mumbai.

For the year ended 31 March 2016, , RCom reported audited consolidated revenue from operations and profit after tax of INR 21,711 crore and INR 681 crore respectively. The issued, subscribed and paid up equity share capital of RCom as at 30 June 2016 is INR 1,244 crore consisting of 2,488,979,745 equity Shares of INR 5 each fully paid up.

Aircel is a public company incorporated under the Companies Act 1956 and provides GSM mobile services in India. It offers voice and data services ranging from post-paid and prepaid plans and 2G and 3G services. Aircel was incorporated in 1994 and is based in Gurgaon, India. The registered office of Aircel is situated in Mumbai.

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

For the year ended 31 December 2015, Aircel reported audited consolidated revenue from operations and loss of INR 11,396 crore and INR 2,215 crore respectively. The current issued, subscribed and paid up equity share capital of Aircel is INR 243 crore consisting of 243,243,243 equity Shares of INR 10 each fully paid up.

Rationale of the Report:

We have been informed that the management of RCom and Aircel are contemplating a demerger of the wireless operations and International / National Long distance operations of RCom / RTL and recent operations / assets to be acquired from Sistema Shyam TeleServices Limited ("SSTL"), hereinafter collectively referred to as the "Specified Telecom Operations of RCom". The Specified Telecom Operations of RCom would be then transferred to Aircel / DWL through a Composite Scheme of Arrangement under the provisions of Section 391-394 read with section 100-104 of the Companies Act, 1956 ("Scheme of Arrangement" or "Proposed Demerger" or "Transaction") and other applicable provisions of the Companies Act, 2013. As consideration for this Proposed Demerger, RCom will be issued equity shares of Aircel.

In this regard, we have been requested to suggest Fairness on the Share Entitlement for the Proposed Demerger.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- With respect to Aircel:
    - Consolidated Annual reports of Aircel for year ended March 31, 2015 and special purpose audited consolidated financials for the year ended December 31, 2015.
    - Un-audited quarterly financial statements ended March 31,2015 to December 31, 2015
    - Historical circle-wise key operational parameters including revenue and subscriber
    - Details of Deferred Spectrum Liability
    - Details of circle wise spectrum holdings
- With respect to RCOM:
    - Annual Report of RCOM for year ended March 31, 2015 and other publicly available financial information
    - Financial Statements of the Specified Telecom Operations of RCom for 9 months ended December 31, 2015.
    - Historical circle-wise key operational parameters including revenue and subscriber split into GSM and CDMA
    - Details of circle wise spectrum holdings
    - Details of Deferred Spectrum Liabilities
    - Circle wise revenue details for the three demerged Undertakings of RCOM/RTL
    - Draft Composite Scheme of Arrangement

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

Our Recommendation:

As stated in the Valuation Report, S.R. Batliboi & Co. LLP have recommended the following Share Entitlement:

"Additional equity shares of 97% to 105% (rounded off) of pre-demerger share capital of Aircel (Post conversion of planned shareholder loans/preference shares into equity and reduction of capital) gets issued to RCom"

The aforesaid Arrangement shall be pursuant to the Draft Scheme of Arrangement and shall be subject to receipt of approval from the Jurisdictional High Court and other statutory approvals as may be required. The detailed terms and conditions of the demerger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the share entitlement for the equity shareholders as suggested by S.R. Batliboi & Co. LLP proposed under the Scheme of Arrangement is fair in our opinion.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by RCom & Aircel for the purpose of this opinion. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, or estimates of value to be realized for the assets of RCom & Aircel. We have solely relied upon the information provided to us by RCom & Aircel. We have not reviewed any books or records of RCom & Aircel (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of RCom & Aircel and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of RCom & Aircel. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by RCom & Aircel for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of RCom & Aircel with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

We understand that the managements of RCom & Aircel during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that RCom & Aircel may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving RCom & Aircel or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to RCom & Aircel for providing a fairness view on the share entitlement and will receive a fee for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of RCom & Aircel for the purpose of this transaction and for the purpose of obtaining judicial and regulatory approvals for the transaction and the Proposed Demerger and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of RCom & Aircel should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above for the purpose of obtaining judicial and regulatory approvals for the transaction and the Proposed Demerger. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to RCom's or RCom & Aircel's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of RCom & Aircel should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of RCom will trade following the announcement of the transaction or as to the financial performance of RCom & Aircel following the consummation of the transaction.

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, RCom & Aircel and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**

Nipun Lodha
Executive Vice-President & Head- Corporate Finance
SEBI Registration No. INM000003606
(Merchant Banker)

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

14 September, 2016

The Board of Directors
Reliance Communications Limited
H Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai - 400710, Maharashtra, India

Dear Sirs,

Reg: Fairness Opinion on the recommendation of the fair equity exchange ratio/share entitlement for the proposed merger of Deccan Digital Networks Private Limited ("Deccan") and South Asia Communications Private Limited ("SAC") in to Aircel Limited ("Aircel").

Keynote Corporate Services Limited ("**Keynote**" or "**we**" or "**us**") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to issue a report on fairness on the fair equity exchange ratio/share entitlement for the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited in to Aircel Limited. We have perused the documents/ information provided by you in respect of the said Arrangement and the Valuation Report as issued by **S.R. Batliboi & Co. LLP** dated 14 September 2016 and state as follows:

Company Profile:

Aircel is a public company incorporated under the Companies Act 1956 provides GSM mobile services in India. It offers voice and data services ranging from post-paid and prepaid plans and 2G and 3G services. Aircel was incorporated in 1994 and is based in Gurgaon, India. The registered office of Aircel is situated at Mumbai.

For the year ended 31 December 2015, Aircel reported audited consolidated revenue from operations and loss of INR 11,396 crore and INR 2,215 crore respectively.

Deccan is a private company holding 35% stake in Aircel in form of equity shares. Sindya Securities & Investments Private Limited ("SSIPL") owns 74.3% stake in Deccan, with the balance 25.7% owned by Global Communication Services Holdings ("GCSH", Mauritius). GCSH is an indirect 100% subsidiary of Maxis Communication Berhard of Malaysia, and owns Balance 65% stake in Aircel.

SAC is a 100% subsidiary of GCSH and holds investment in Deccan in the form of cumulative non-convertible Redeemable Preference Shares ("RPS") of Rs.1645 crore of Rs.10 each. These Preference shares are redeemable in 2026 at a premium of 22% over face value and have a coupon rate of 0.01 % p.a.

Deccan and SAC are holding companies without any operations. Further, effectively SAC's only investment is in Deccan and Deccan's only investment is in Aircel.

Rationale of the Report:

We have been informed that the management of the Companies are contemplating amalgamation of Deccan and SAC into Aircel ("Proposed Merger" or "Transaction") through a Composite Scheme of Arrangement under the provisions of Section 391-394 read with section 100-104 of the Companies Act,

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

1956 ("Scheme of Arrangement") and other applicable provisions of the Companies Act, 2013. As consideration for this Proposed Merger, Aircel proposed to issue equity shares to the shareholder of Deccan and SAC.

In this regard, we have been requested to suggest Fairness on the Share Entitlement for the Proposed Merger.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- With respect to Aircel:
  - Consolidated Annual reports of Aircel for year ended March 31, 2015 and special purpose audited consolidated financials for the year ended December 31, 2015.
  - Un-audited quarterly financial statements ended March 31, 2015 to December 31, 2015
  - Historical circle-wise key operational parameters including revenue and subscriber
  - Details of Deferred Spectrum Liability
  - Details of circle wise spectrum holdings
- With respect to SAC :
  - Audited financial statements for year ended March 31, 2015
  - Unaudited financial statements of SAC for the year ended March 31, 2016 including balance sheet, statement of profit & loss, cash flow statement and notes to the financial statements.
- With respect to Deccan :
  - Audited financial statements for year ended March 31, 2015
  - Unaudited financial statements of SAC for the year ended March 31, 2016 including balance sheet, statement of profit & loss, cash flow statement and notes to the financial statements.
- Draft Scheme of Arrangement

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Valuation Report, S.R. Batliboi & Co. LLP have recommended the following Share Entitlement:

"

- **Share swap ratio for the proposed merger of Deccan in to Aircel should be 187 (one hundred eighty seven) equity shares of Aircel of Rs10/- each fully paid up to be issued for every 100 (one hundred) equity shares of Deccan of Rs10 /- each fully paid up.**
- **24,49,999 equity shares of Aircel of Rs 10 /- each fully paid up to GCSH for its RPS held in SAC.**

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

- **As per our computation, no consideration is to be paid to the equity shares of SAC. However, the Management has represented to us that they would like to issue 1 (one) equity share of Aircel of Rs.10/- fully paid up to GCSH for its equity shares held in SAC, as a token of consideration. Considering that GCSH holds all shares in SAC, we believe this is fair."**

The aforesaid arrangement shall be pursuant to the Draft Scheme of Arrangement and shall be subject to receipt of approval from the Jurisdictional High Court and other statutory approvals as may be required. The detailed terms and conditions of the merger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the management has also informed us that the reduction of shareholders loans/RPS of Aircel and reduction of share capital (such that debt in Aircel becomes Rs.14000 crore and number of shares of Aircel becomes 1399,66,65,135 before the Proposed Merger in Aircel) is simultaneous with other steps in the Scheme but also conditions precedents to other steps; further, the capital reduction in Deccan is an independent step happening prior to the other steps. The parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction or the conditions precedent are not fulfilled or capital reduction in Deccan does not materialize earlier.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the share entitlement for the equity shareholders as suggested by S.R. Batliboi & Co. LLP proposed under the Scheme of Arrangement is fair in our opinion.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by Deccan, SAC & Aircel for the purpose of this opinion. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, or estimates of value to be realized for the assets of Deccan, SAC & Aircel. We have solely relied upon the information provided to us by Deccan, SAC & Aircel. We have not reviewed any books or records of Deccan, SAC & Aircel (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Deccan, SAC & Aircel and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of Deccan, SAC & Aircel. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by Deccan, SAC & Aircel for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of Deccan, SAC & Aircel with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

We understand that the managements of Deccan, SAC & Aircel during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that Deccan, SAC & Aircel may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving Deccan, SAC & Aircel or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to Deccan, SAC & Aircel for providing a fairness view on the share entitlement and will receive a fee for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of Deccan, SAC & Aircel for the purpose of this transaction and for the purpose of obtaining judicial and regulatory approvals for the transaction and the Proposed Demerger and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of Deccan, SAC & Aircel should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above for the purpose of obtaining judicial and regulatory approvals for the transaction and the Proposed Demerger. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to Deccan, SAC's or Aircel's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of Deccan, SAC & Aircel should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of Deccan, SAC will trade following the announcement of the transaction or as to the financial performance of Deccan, SAC & Aircel following the consummation of the transaction.

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, Deccan, SAC & Aircel and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**

Nipun Lodha
Executive Vice-President & Head- Corporate Finance
SEBI Registration No. INM000003606
(Merchant Banker)

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

RELIANCE COMMUNICATIONS LIMITED

REPORT OF THE BOARD OF DIRECTORS OF RELIANCE COMMUNICATIONS LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT AMONG THE COMPANY, RELIANCE TELECOM LIMITED,AIRCEL LIMITED, DISHNET WIRELESS LIMITED, DECCAN DIGITAL NETWORKS PRIVATE LIMITED AND SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

1. Background:

1.1 A meeting of the Board of Directors ('Board') of Reliance Communications Limited was held on 14th September, 2016 to consider and recommend the proposed the Composite Scheme of Arrangement between Reliance Communications Limited ("the Company" or "the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("the Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("the Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("the Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

1.2 In terms of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.

1.3 While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):

a. Draft Scheme of Arrangement among the Company, RTL, AL, DWL, Deccan, SACPL and their respective shareholders and creditors;

b. Valuation Reports dated 14thSeptember, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited in to Aircel Limited;

c. Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited in to Aircel Limited;

d. Report of the Audit Committee dated 14th September, 2016, recommending the Scheme to the Board for approval.

2. Background to the Proposed Scheme:

The Scheme, interalia, provides for the following:

a) transfer and vesting of the Demerged Undertakings(as defined in the Scheme) from the Demerged Companies (as defined in the Scheme) into the Resulting Companies(as defined in the Scheme), the manner of vesting of the Demerged Undertakings and the consideration thereof;

b) Amalgamation of the Transferor Companies(as defined in the Scheme) with the Transferee Company (as defined in the Scheme) and the consideration thereof;

c) Conversion of the Resulting Company 1 RPS (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of such equity shares;

d) Conversion of the Resulting Company 1 Shareholder Loans (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

e) Reduction and cancellation of the Transferor Company 1 RPS(as defined in the Scheme).

Rationale of the Scheme

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

3. Valuation

The Reports on valuation have been obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations.The valuation has been reviewed for fairness by M/s. Keynote Corporate Services Limited, Category-I Merchant Banker.

As per the commercial understanding agreed between RCom Group and Aircel Group (herein referred to as "the Parties"), each of the Parties will hold 50% stake in the combined entity (i.e. AL) on fully diluted basis with equal representation on the Board of Directors and all Committees. It is also commercially agreed between the Parties to restrict the respective Party's debt in AL at pre-agreed amount.

The valuation report states that the fair entitlement, for the proposed of the Demerged Undertakings of the Demerged Companies to the Resulting Companies, should be such that additional equity shares in the range of 97% to 105% of pre demerger share capital of combined entity (i.e. AL) be issued to RCom. The range per valuation report of 97% to 105% signifies that the value of RCom's business being transferred and AL is virtually equal and therefore, the Audit Committee of RCom and the Board of directors of RTL, AL, DWL, Deccan and SACPLhave concluded that it is fair and reasonable as also in the interest of RCom, RTL, AL, DWL, Deccan and SACPL and its shareholders that RCom and the existing shareholders of AL have equal ownership holding i.e. 50% of equity share capital in the combined entity (i.e. AL). Thus, Clause 19 "Consideration", provides that 1400,00,00,000 (Fourteen hundred crores) Equity Shares in AL, shall be issued to RCom, which shall be equal to estimated pre demerger capital of AL. This would ensure that both the Parties own 50% of equity share capital in the combined entity (i.e AL), post the Scheme coming into effect. Out of 1400,00,00,000 (Fourteen hundred crores) Equity Shares issued to RCom, 579,999,821 (five hundred and seventy nine million nine hundred and ninety nine thousand eight hundred and twenty one) equity shares is in respect of the undertaking demerged from the Company.

4. Impact on key stakeholders

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

RELIANCE TELECOM LIMITED

REPORT OF THE BOARD OF DIRECTORS OF RELIANCE TELECOM LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT AMONG RELIANCE COMMUNICATIONS LIMITED, THE COMPANY, AIRCEL LIMITED, DISHNET WIRELESS LIMITED, DECCAN DIGITAL NETWORKS PRIVATE LIMITED AND SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

1. Background:

1.1 A meeting of the Board of Directors ('Board') of Reliance Telecom Limited was held on 14th September, 2016 to consider and recommend the proposed the Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("The Demerged Company 2" or " RTL" or "the Company") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("The Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("The Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

1.2 In terms of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.

1.3 While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):

a. Draft Scheme of Arrangement among RCom, AL, DWL, Deccan, SACPL and the Company and their respective shareholders and creditors;

b. Valuation Report dated 14th September, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited in to Aircel Limited;

c. Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited in to Aircel Limited;

2. Background to the Proposed Scheme:

The Scheme, interalia, provides for the following:

a) transfer and vesting of the Demerged Undertakings (as defined in the Scheme) from the Demerged Companies (as defined in

the Scheme) into the Resulting Companies (as defined in the Scheme) , the manner of vesting of the Demerged Undertakings and the consideration thereof;

b) Amalgamation of the Transferor Companies (as defined in the Scheme) with the Transferee Company (as defined in the Scheme) and the consideration thereof;

c) Conversion of the Resulting Company 1 RPS (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of such equity shares;

d) Conversion of the Resulting Company 1 Shareholder Loans (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

e) Reduction and cancellation of the Transferor Company 1 RPS (as defined in the Scheme).

Rationale of the Scheme

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

3. Valuation

The Reports on valuation have been obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by M/s. Keynote Corporate Services Limited, Category-I Merchant Banker.

As per the commercial understanding agreed between RCom Group and Aircel Group (herein referred to as "the Parties"), each of the Parties will hold 50% stake in the combined entity (i.e. AL) on fully diluted basis with equal representation on the Board of Directors and all Committees. It is also commercially agreed between the Parties to restrict the respective Party's debt in AL at pre-agreed amount.

The valuation report states that the fair entitlement, for the proposed of the Demerged Undertakings of the Demerged Companies to the Resulting Companies, should be such that additional equity shares in the range of 97% to 105% of pre demerger share capital of combined entity (i.e. AL) be issued to RCom. The range per valuation report of 97% to 105% signifies that the value of RCom's business being transferred and AL is virtually equal and therefore, the Audit Committee of RCom and the Board of directors of the Company, AL, DWL, Deccan and SACPL have concluded that it is fair and reasonable as also in the interest of RCom, RTL, AL, DWL, Deccan and SACPL and its shareholders that RCom and the existing shareholders of AL have equal ownership holding i.e. 50% of equity share capital in the combined entity (i.e. AL). Thus, Clause 19 "Consideration", provides that 1400,00,00,000 (Fourteen hundred crores) Equity Shares in AL, shall be issued to RCom, which shall be equal to estimated pre demerger capital of AL. This would ensure that both the Parties own 50% of equity share capital in the combined entity (i.e. AL), post the Scheme coming into effect. Out of 1400,00,00,000 (Fourteen hundred crores) Equity Shares issued to RCom, 579,999,821 (five hundred and seventy nine million nine hundred and ninety nine thousand eight hundred and twenty one) equity shares is in respect of the undertaking demerged from the Company.

4. Impact on key stakeholders

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

AIRCEL LIMITED

REPORT OF THE BOARD OF DIRECTORS OF AIRCEL LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT AMONG RELIANCE COMMUNICATIONS LIMITED, RELIANCE TELECOM LIMITED, THE COMPANY, DISHNET WIRELESS LIMITED, DECCAN DIGITAL NETWORKS PRIVATE LIMITED AND SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

1. Background:

1.1 A meeting of the Board of Directors ('Board') of Aircel Limited was held on 14th September, 2016 to consider and recommend the proposed the Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("The Demerged Company 2" or " RTL") and Aircel Limited ("the Company" or "Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("The Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("The Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

1.2 In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.

1.3 While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):

a) Draft Scheme of Arrangement among RCom, RTL, the Company, , DWL, Deccan, SACPL and their respective shareholders and creditors;

b) Valuation Reports dated 14th September, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited into Aircel Limited;

c) Valuation Reports dated 14th September, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited into Aircel Limited;

d) Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited into Aircel Limited;

e) Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited into Aircel Limited.

2. Background to the Proposed Scheme:

The Scheme, interalia, provides for the following:

a) transfer and vesting of the Demerged Undertakings (as defined in the Scheme) from the Demerged Companies (as defined in the Scheme) into the Resulting Companies (as defined in the Scheme), the manner of vesting of the Demerged Undertakings and the consideration thereof;

b) Amalgamation of the Transferor Companies (as defined in the Scheme) with the Transferee Company (as defined in the Scheme) and the consideration thereof;

c) Conversion of the Resulting Company 1 RPS (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of such equity shares;

d) Conversion of the Resulting Company 1 Shareholder Loans (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

e) Reduction and cancellation of the Transferor Company 1 RPS (as defined in the Scheme).

Rationale of the Scheme

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

3. Valuation

The Reports on valuation have been obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by M/s. Keynote Corporate Services Limited, Category-I Merchant Banker.

As per the commercial understanding agreed between RCom Group and Aircel Group (herein referred to as "the Parties"), each of the Parties will hold 50% stake in the combined entity (i.e. AL) on fully diluted basis with equal representation on the Board of Directors and all Committees. It is also commercially agreed between the Parties to restrict the respective Party's debt in AL at pre-agreed amount.

Demerger

The valuation report states that the fair entitlement, for the proposed of the Demerged Undertakings of the Demerged Companies to the Resulting Companies, should be such that additional equity shares in the range of 97% to 105% of pre demerger share capital of combined entity (i.e. AL) be issued to RCom. The range per valuation report of 97% to 105% signifies that the value of RCom's business being transferred and AL is virtually equal and therefore, the Audit Committee of RCom and the Board of directors of RCom, RTL, AL, DWL, Deccan and SACPL have concluded that it is fair and reasonable as also in the interest of RCom, RTL, AL, DWL, Deccan and SACPL and its shareholders that RCom and the existing shareholders of AL have equal ownership holding i.e. 50% of equity share capital in the combined entity (i.e. AL). Thus, Clause 19 "Consideration", provides that 1400,00,00,000 (Fourteen hundred crores) Equity Shares in AL, shall be issued to RCom, which shall be equal to estimated pre demerger capital of AL. This would ensure that both the Parties own 50% of equity share capital in the combined entity (i.e AL), post the Scheme coming into effect.

Merger of Deccan into AL

The valuation report states that the fair entitlement for the proposed merger of Deccan into AL should be 187 equity shares of Rs 10 each fully paid up for every 100 shares of Deccan of Rs 10 each fully paid up. The Management is of the view that the same is fair and reasonable and in the interest of the shareholders.

Merger of SACPL into AL

24,49,999 equity shares of AL of Rs 10 each fully paid up should be issued to Global Communications Services Holdings Limited ("GCSHL") for its holding in Redeemable Preference Shares of SACPL. As per their computation, no consideration is to be paid to the equity shares of SACPL. However, it was decided to issue 1 (One) equity share of AL of Rs.10 each to GCSHL for its holding in equity shares of SACPL as token consideration. The Management is of the view that the same is fair and reasonable and in the interest of the shareholders.

4. Impact on key stakeholders

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

DISHNET WIRELESS LIMITED

REPORT OF THE BOARD OF DIRECTORS OF DISHNET WIRELESS LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT AMONG RELIANCE COMMUNICATIONS LIMITED, RELIANCE TELECOM LIMITED, AIRCEL LIMITED, THE COMPANY, DECCAN DIGITAL NETWORKS PRIVATE LIMITED AND SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

1. Background:

1.1 A meeting of the Board of Directors ('Board') of Dishnet Wireless Limited was held on 14th September, 2016 to consider and recommend the proposed the Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("The Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or "AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL" or "the Company") and Deccan Digital Networks Private Limited ("The Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("The Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

1.2 In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.

1.3 While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):

a) Draft Scheme of Arrangement among RCom, RTL, AL, the Company, Deccan and SACPL and their respective shareholders and creditors;

b) Valuation Report dated 14th September, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited into Aircel Limited;

c) Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited into Aircel Limited.

2. Background to the Proposed Scheme:

The Scheme, interalia, provides for the following:

a) transfer and vesting of the Demerged Undertakings (as defined in the Scheme) from the Demerged Companies (as defined in the Scheme) into the Resulting Companies (as defined in the Scheme) , the manner of vesting of the Demerged Undertakings and the consideration thereof;

b) Amalgamation of the Transferor Companies (as defined in the Scheme) with the Transferee Company (as defined in the Scheme) and the consideration thereof;

c) Conversion of the Resulting Company 1 RPS (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of such equity shares;

d) Conversion of the Resulting Company 1 Shareholder Loans (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

e) Reduction and cancellation of the Transferor Company 1 RPS (as defined in the Scheme).

Rationale of the Scheme

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the

balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

3. Valuation

The Reports on valuation have been obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by M/s. Keynote Corporate Services Limited, Category-I Merchant Banker.

As per the commercial understanding agreed between RCom Group and Aircel Group (herein referred to as "the Parties"), each of the Parties will hold 50% stake in the combined entity (i.e. AL) on fully diluted basis with equal representation on the Board of Directors and all Committees. It is also commercially agreed between the Parties to restrict the respective Party's debt in AL at pre-agreed amount.

Demerger

The valuation report states that the fair entitlement, for the proposed of the Demerged Undertakings of the Demerged Companies to the Resulting Companies, should be such that additional equity shares in the range of 97% to 105% of pre demerger share capital of combined entity (i.e. AL) be issued to RCom. The range per valuation report of 97% to 105% signifies that the value of RCom's business being transferred and AL is virtually equal and therefore, the Audit Committee of RCom and the Board of directors of RCom, RTL, AL, DWL, Deccan and SACPL have concluded that it is fair and reasonable as also in the interest of RCom, RTL, AL, DWL, Deccan and SACPL and its shareholders that RCom and the existing shareholders of AL have equal ownership holding i.e. 50% of equity share capital in the combined entity (i.e. AL). Thus, Clause 19 "Consideration", provides that 1400,00,00,000 (Fourteen hundred crores) Equity Shares in AL, shall be issued to RCom, which shall be equal to estimated pre demerger capital of AL. This would ensure that both the Parties own 50% of equity share capital in the combined entity (i.e. AL), post the Scheme coming into effect. Out of 1400,00,00,000 (Fourteen hundred crores) Equity Shares issued to RCom by AL directly, the Company will issue 535,29,80,622 (five hundred thirty five crores twenty nine lakhs eighty thousand six hundred and twenty two) and 579,999,821 (five hundred and seventy nine million nine hundred and ninety nine thousand eight hundred and twenty one) equity shares to AL as reimbursement of amount discharged by AL to RCom on an aggregate basis.

4. Impact on key stakeholders

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

DECCAN DIGITAL NETWORKS PRIVATE LIMITED

REPORT OF THE BOARD OF DIRECTORS OF DECCAN DIGITAL NETWORKS PRIVATE LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT AMONG RELIANCE COMMUNICATIONS LIMITED, RELIANCE TELECOM LIMITED, AIRCEL LIMITED, DISHNET WIRELESS LIMITED, THE COMPANY AND SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

1. Background:

1.1 A meeting of the Board of Directors ('Board') of Deccan Digital Networks Private Limited was held on 14th September, 2016 to consider and recommend the proposed the Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("the Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("the Company" or "the Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("the Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

1.2 In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.

1.3 While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):

a) Draft Scheme of Arrangement among RCom, RTL, AL, DWL, the Company and SACPL and their respective shareholders and creditors;

b) Valuation Reports dated 14th September, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited into Aircel Limited;

c) Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed merger of Deccan Digital Networks Private Limited and South Asia Communications Private Limited into Aircel Limited.

2. Background to the Proposed Scheme:

The Scheme, interalia, provides for the following:

a) transfer and vesting of the Demerged Undertakings (as defined in the Scheme) from the Demerged Companies (as defined in the Scheme) into the Resulting Companies (as defined in the Scheme), the manner of vesting of the Demerged Undertakings and the consideration thereof;

b) Amalgamation of the Transferor Companies (as defined in the Scheme) with the Transferee Company (as defined in the Scheme) and the consideration thereof;

c) Conversion of the Resulting Company 1 RPS (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of such equity shares;

d) Conversion of the Resulting Company 1 Shareholder Loans (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

e) Reduction and cancellation of the Transferor Company 1 RPS (as defined in the Scheme).

Rationale of the Scheme

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

3. Valuation

The Reports on valuation have been obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by M/s. Keynote Corporate Services Limited, Category-I Merchant Banker.

The valuation report states that the fair entitlement for the proposed merger of Deccan into AL should be 187 equity shares of Rs 10 each fully paid up for every 100 shares of Deccan of Rs 10 each fully paid up. The Management is of the view that the same is fair and reasonable and in the interest of the shareholders.

4. Impact on key stakeholders

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED

REPORT OF THE BOARD OF DIRECTORS OF SOUTH ASIA COMMUNICATIONS PRIVATE LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT AMONG THE RELIANCE COMMUNICATIONS LIMITED, RELIANCE TELECOM LIMITED, AIRCEL LIMITED, DISHNET WIRELESS LIMITED, DECCAN DIGITAL NETWORKS PRIVATE LIMITED AND THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

1. Background:

1.1 A meeting of the Board of Directors ('Board') of South Asia Communications Private Limited was held on 14th September, 2016 to consider and recommend the proposed the Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1" or "RCom") and Reliance Telecom Limited ("The Demerged Company 2" or " RTL") and Aircel Limited ("Resulting Company 1" or "Transferee Company" or " AL") and Dishnet Wireless Limited ("Resulting Company 2" or " DWL") and Deccan Digital Networks Private Limited ("The Transferor Company 1" or " Deccan") and South Asia Communications Private Limited ("the Company" or "The Transferor Company 2" or " SACPL") and their respective shareholders and creditors ("Scheme").

1.2 In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.

1.3 While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):

a. Draft Scheme of Arrangement among the Company, RTL, RCom, AL, DWL and Deccan and their respective shareholders and creditors;

b. Valuation Reports dated 14th September, 2016 issued by M/s. S.R. Batliboi & Co. LLP on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited into Aircel Limited;

c. Fairness Opinion dated 14th September, 2016 issued by M/s. Keynote Corporate Services Limited on the proposed demerger of the Specified Telecom Operations of Reliance Communications Limited into Aircel Limited.

2. Background to the Proposed Scheme:

The Scheme, interalia, provides for the following:

a) transfer and vesting of the Demerged Undertakings (as defined in the Scheme) from the Demerged Companies (as defined in the Scheme) into the Resulting Companies (as defined in the Scheme), the manner of vesting of the Demerged Undertakings and the consideration thereof;

b) Amalgamation of the Transferor Companies (as defined in the Scheme) with the Transferee Company (as defined in the Scheme) and the consideration thereof;

c) Conversion of the Resulting Company 1 RPS (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of such equity shares;

d) Conversion of the Resulting Company 1 Shareholder Loans (as defined in the Scheme) into equity shares and the subsequent reduction and cancellation of a part of such equity shares;

e) Reduction and cancellation of the Transferor Company 1 RPS (as defined in the Scheme).

Rationale of the Scheme

The demerger and vesting of the Demerged Undertakings of the Demerged Companies to the Resulting Companies pursuant to the Scheme shall, inter alia, result in following benefits:

(i) consolidation of the wireless telecom business of the Demerged Companies with the Resulting Companies provides an opportunity to the Demerged Company 1 to acquire equity interest in the Resulting Company 1;

(ii) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;

(iii) availability of increased resources and assets which can be utilised for strengthening the customer base of the Resulting Companies (including the customer base of the Demerged Companies) and servicing existing as well as new customers of the Resulting Companies innovatively and efficiently;

(iv) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in the ever-evolving wireless telecom business;

(v) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;

(vi) synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of efficiencies and benefitting customers as well as optimization of operation and capital expenditure;

(vii) assisting the Resulting Companies and the Demerged Companies in strengthening their assets base while also enhancing their financial flexibility;

(viii) enhance competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Companies thereby significantly contributing to future growth and maximizing shareholders value;

(ix) reducing the direct and indirect foreign shareholding in the Resulting Company 1; and

(x) to achieve an optimal capital structure which duly represents the intrinsic value of the Resulting Company 1, through a capital reorganization exercise which will also involve conversion of the Resulting Company 1 Shareholders Loans which are in the nature of long term shareholder funding for the Resulting Company 1 into equity shares and thereby strengthening the balance sheet of the Resulting Companies for future growth and expansion and to create a capital structure which is geared to take advantage of possible growth opportunities.

The amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme will simplify and streamline the ownership structure of the Resulting Company 1. The proposed restructuring between the Transferor Companies and the Transferee Company is in the interest of the shareholders, creditors, employees and other stakeholders, of each of the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

3. Valuation

The Reports on valuation have been obtained from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by M/s. Keynote Corporate Services Limited, Category-I Merchant Banker.

The valuation report states that the fair entitlement for the proposed merger of Deccan into AL should be 187 equity shares of Rs 10 each fully paid up for every 100 shares of Deccan of Rs 10 each fully paid up. Further, 24,49,999 equity shares of AL of Rs 10 each fully paid up should be issued to Global Communications Services Holdings Limited for its holding in Redeemable Preference Shares of SACPL. As per their computation, no consideration is to be paid to the equity shares of SACPL. The Management is of the view that the same is fair and reasonable and in the interest of the shareholders.

Impact on key stakeholders

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

Reliance Communications Limited

Supplementary Unaudited Accounting Statements as at September 30, 2016

RELIANCE COMMUNICATIONS LIMITED

Unaudited Balance Sheet as at September 30, 2016 (₹ in crore)

	Notes		As at September 30, 2016
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	**2.01**	14,669	
(b) Capital Work in Progress	**2.02**	1,075	
(c) Investment Property	**2.03**	3	
(d) Other Intangible Assets	**2.04**	15,241	
(e) Financial Assets			
(i) Investments	**2.05**	17,090	
(ii) Loans	**2.06**	2,719	
(iii) Others	**2.07**	76	
		19,885	
(g) Income Tax		218	
(h) Deferred tax Assets (net)		1,966	
(i) Other Non Current Assets	**2.08**	4,670	**57,727**
Current Assets			
(a) Inventories	**2.09**	63	
(b) Financial Assets			
(i) Investments	**2.10**	4,712	
(ii) Trade Receivable	**2.11**	1,567	
(iii) Cash and Cash equivalents	**2.12**	578	
(iv) Loans	**2.13**	4,294	
(v) Others	**2.14**	497	
		11,648	
(c) Other Current Assets	**2.15**	5,591	**17,302**
TOTAL ASSETS			**75,029**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	**2.16**	1,244	
(b) Other Equity	**2.17**	24,351	**25,595**
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**2.18**	22,363	
(ii) Deferred Payment Liabilities		1,374	
(ii) Trade Payables	**2.19**	18	
(iii) Other Financial Liabilities	**2.20**	224	
		23,979	
(b) Provisions	**2.21**	29	
(c) Other Non Current Liabilities	**2.22**	92	**24,100**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**2.23**	4,132	
(ii) Trade Payables	**2.24**	4,096	
(iii) Other Financial Liabilities	**2.25**	10,000	
		18,228	
(b) Other Current Liabilities	**2.26**	5,872	
(c) Provisions	**2.27**	1,234	**25,334**
TOTAL EQUITY AND LIABILITIES			**75,029**

RELIANCE COMMUNICATIONS LIMITED

Unaudited Statement of Profit and Loss for the period ended September 30, 2016

(₹ in crore)

	Notes	For the period ended September 30, 2016
INCOME		
Revenue from Operations	2.28	4,694
Other Income	2.29	184
Total Income		4,878
EXPENDITURE		
Access Charges, License Fees and Network Expenses	2.30	3,903
Employee Benefits Expenses	2.31	101
Finance Costs	2.32	1,223
Depreciation and Amortisation Expenses		1,210
Depreciation/ Amortisation adjusted against General Reserve III		(465)
Other Expenses	2.33	642
Total Expenses		6,614
Profit/ (Loss) before Exceptional items, Tax and Adjustments		(1,736)
Profit/ (Loss) before Tax		(1,736)
Provision for		
- Short provisions of earlier years		-
- Deferred Tax charge/ (credit)		(313)
Profit/ (Loss) after Tax		(1,423)
Other Comprehensive Income		
Measurement of defined benefit plans		-
Total Comprehensive Income		(1,423)

Note: 2.01 Property, Plant and Equipment (₹ in crore)

Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Total
Gross carrying value								
As at March 31, 2016	5	400	400	25,100	23	40	45	26,013
Additions	-	-	-	804	-	-	-	804
Disposals	-	-	(42)	(1)	-	-	-	(43)
As at Sept 30, 2016	5	400	358	25,903	23	40	45	26,774
Accumulated Depreciation								
As at March 31, 2016	1	-	119	11,446	22	39	43	11,670
Depreciation for the year	-	-	7	446	-	-	-	453
Disposals	-	-	(18)	-	-	-	-	(18)
As at Sept 30, 2016	1	-	108	11,892	22	39	43	12,105
Closing net carrying value as at Sept 30, 2016	**4**	**400**	**250**	**14,011**	**1**	**1**	**2**	**14,669**

RELIANCE COMMUNICATIONS LIMITED
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.02 Capital Work in Progress	**As at September 30, 2016**
Capital Work in Progress	**1,075**

Note: 2.03 Investment Property	
Gross carrying value	
As at March 31, 2016	3
Additions	-
Transfer from CWIP	-
Disposals	-
As at Sept 30, 2016	**3**
Accumulated Depreciation	
As at March 31, 2016	
Depreciation for the period	0
Disposals	0
Exchange Differences	0
As at Sept 30, 2016	**0**
Closing net carrying value as at Sept 30, 2016	**3**

Note: 2.04 Other Intangible Assets (₹ in crore)

Particulars	Indefeasible Right of Connectivity	Telecom Licenses	Software	Brand License	Total
Gross carrying value					
As at March 31, 2016	252	25,756	397	169	26,574
Additions for the period	-	8,584	19	-	8,603
Disposals	-	(10,803)	-	-	(10,803)
As at Sept 30, 2016	**252**	**23,537**	**416**	**169**	**24,374**
Accumulated Depreciation					
As at March 31, 2016	152	14,439	339	125	15,055
Depreciation for the period	7	731	15	4	757
Disposals	-	(6,679)	-	-	(6,679)
As at Sept 30, 2016	**159**	**8,491**	**354**	**129**	**9,133**
Closing net carrying value as at Sept 30, 2016	**93**	**15,046**	**62**	**40**	**15,241**

Reliance Communications Limited
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.05			**As at September 30, 2016**
Non Current Investments			
Trade Investments (valued at cost unless stated otherwise)			
In Equity Shares of Wholly Owned Subsidiary Companies			
Unquoted, fully paid up			
9,38,00,00,000	Reliance Communications Infrastructure Limited of ₹ 1 each	8,734	
50,00,000	Reliance Infocomm Infrastructure Limited of ₹ 10 each	1,036	
6,87,066	Reliance Wimax Limited of ₹ 10 each	8	
50,000	Reliance Bhutan Limited of ₹ 10 each ₹ 5,00,000	-	
50,000	Reliance Webstore Limited of ₹ 10 each ₹ 5,00,000	-	
1,00,00,000	Reliance Big TV Limited of ₹ 10 each	10	
35,63,601	Campion Properties Limited of ₹ 10 each	9	
50,000	Reliance Tech Services Limited of ₹ 10 each ₹ 5,00,000	-	
20,00,000	Reliance Mobile Commerce Limited of ₹ 10 each	2	**9,799**
In Equity Shares of Subsidiary Companies			
Unquoted, fully paid up			
6,69,80,100	Reliance Telecom Limited of ₹ 10 each	521	
14,516	Reliance Globalcom BV of Euro 100 each	6,515	
12,00,000	Reliance Globalcom Limited, Bermuda Class A Common Shares of USD 0.01 each	233	
1,00,000	Gateway Net Trading Pte. Limited of USD 1 each ₹ 46,78,250	-	**7,269**
In Equity Shares of Companies			
Unquoted, fully paid up			
6,50,25,000	Warf Telecom International Private Limited of MRF 1 each	22	
13,000	Mumbai Metro Transport Private Limited of ₹ 10 each ₹ 1,30,000	-	**22**
In Preference Shares of Subsidiary Companies			
In Government Securities (valued at cost unless stated otherwise)			
Unquoted			
6 years National Savings Certificate ₹ 45,000 (Lodged with Sales Tax Department)		-	
5 1/2 years Kisan Vikas Patra ₹ 5,000 (Lodged with Chennai Metropolitan Development Authority)		-	**-**
			17,090
Aggregate Book Value of Investments			
	Unquoted		**17,090**
	Quoted		**-**
			17,090

Reliance Communications Limited
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.06	**As at September 30, 2016**
Loans (Non Current Financial Assets)	
(Unsecured, Considered Good unless stated otherwise)	
Loans to Related Parties	**2,719**

Note: 2.07	
Other (Non Current Financial Assets)	
Interest Accrued on Investments	**25**
Fixed Deposit	**51**
	76

Note: 2.08	
Other Non Current Assets	
Capital Advances	**4,670**
	4,670

Note: 2.09	
Inventories	
Stores and Spares	**63**
(valued at cost or net realisable value whichever is less)	

(₹ in crore)

Note: 2.10			**As at September 30, 2016**
Investments (Current Financial Assets)			
In Government Securities (Quoted) (valued at fair value)			
34,000	6.83% GOI 2039 of ₹100 each fully paid up ₹ 29,79,205		**-**
In Preference Shares of Wholly Owned Subsidiary			
Unquoted, fully paid up (valued at cost unless stated otherwise)			
20,000	8 % Redeemable, Cumulative Preference Shares of Reliance Communications Infrastructure Limited of ₹ 10 each ₹ 2,00,000	-	
10,00,000	0 % Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance WiMax Limited of ₹ 10 each		
		100	**100**
In Preference Shares of Subsidiary Companies			
Unquoted, fully paid up (valued at cost unless stated otherwise)			
4,50,00,000	1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Telecom Limited of ₹10 each	445	
52	1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Globalcom BV of Euro 1 each ₹ 29,85,060	-	
22,143	8% Redeemable, Non Cumulative, Non Convertible, Preference Shares of Reliance Globalcom BV of Euro 1 each	167	
4,00,00,000	0.10% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Infratel Limited of ₹ 10 each	4,000	**4,612**
			4,712
Aggregate Book Value of Investments			
	Quoted ₹ 29,79,205		**-**
	Unquoted		**4,712**
			4,712

RELIANCE COMMUNICATIONS LIMITED
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

		As at September 30, 2016
Note: 2.11		
Trade Receivables (Unsecured)(Current Financial Assets)		
Considered good	1,567	
Considered doubtful	1,486	
	3,053	
Less: Provision for doubtful debts	1,486	**1,567**
		1,567

Note: 2.12	
Cash and Cash equivalents	
Cheques on Hand	**43**
Balances with Banks	**275**
Earmarked Balance- Unpaid Dividend	**5**
Bank Deposits with less than 3 months' maturity	**143**
Bank Deposits with less than 12 months' maturity	**112**
	578

Note: 2.13	**As at September 30, 2016**
Loans (Current Financial Assets)	
(Unsecured, Considered good unless stated otherwise)	
Loans to Related Parties	**4,294**

Note: 2.14	
Others (Current Financial Assets)	
Deposits	**19**
Interest Accrued on Loans and Investments	**114**
Unbilled Revenue	**364**
	497

Note: 2.15		
Other Current Assets		
Advances to Related Parties		**253**
Deposits		**2,017**
Others		
Considered good	3,321	
Considered doubtful	85	
	3,406	
Less: Provision for doubtful advances	85	**3,321**
		5,591

Note: 2.16	**As at September 30, 2016**
Share Capital	
Authorised	
5,00,00,00,000 Equity Shares of ₹ 5 each	**2,500**
	2,500
Issued, Subscribed and Paid Up	
2,48,89,79,745 Equity Shares of ₹ 5 each fully paid up	**1,244**
	1,244

RELIANCE COMMUNICATIONS LIMITED
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.17		**As at September 30, 2016**
Other Equity		
Capital Reserve ₹ 5,00,000		**-**
Securities Premium Account		**13,894**
Debenture Redemption Reserve		**590**
General Reserve I		**5,538**
General Reserve II		**2,785**
General Reserve III		
As per last Balance Sheet	8,647	
Less: Transferred to Statement of Profit and Loss for depreciation/ amortisation on fair value of assets	465	**8,182**
Reserve for Business Restructuring		**1,287**
Treasury Shares Receivables		**(391)**
Foreign Currency Monetary Items Translation Difference Account		**(820)**
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	(5,291)	
Add : Profit/ (Loss) for the period	(1,423)	**(6,714)**
		24,351

Note: 2.18	**As at September 30, 2016**
Borrowings (Non Current Financial Liabilities)	
Debentures	
Secured	
3,000, 11.20 % Redeemable, Non Convertible Debentures of ₹ 1 crore each	**3,000**
1,500, 11.25 % Redeemable, Non Convertible Debentures of ₹ 1 crore each	**750**
6.5% Senior Secured Notes	**1,972**
Term Loans	
Secured	
Foreign Currency Loans from Banks	**9,895**
Rupee Term Loan from Banks	**6,378**
Rupee Loans from Others	**368**
	22,363

RELIANCE COMMUNICATIONS LIMITED
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.19	**As at September 30, 2016**
Trade Payable (Non Current Financial Liabilities)	
Capital Creditors	**18**

Note: 2.20	
Other Non Current Financial Liability	
Interest accrued but not due	**224**

Note: 2.21	
Provisions (Non Current Liablities)	
Retirement Benefits	**29**

Note: 2.22	
Other Non Current Liabilities	
Income Received in Advance	92
	92

Note: 2.23	
Borrowings (Unsecured unless stated otherwise)	
From Banks	
Rupee Loans (Secured)	**1,517**
Foreign Currency Loans	**410**
Rupee Loans	**1,400**
From Others	**805**
	4,132

Note: 2.24	**As at September 30, 2016**
Trade Payables	
Dues to Micro and Small Enterprises	**19**
Others	**4,077**
	4,096

Note: 2.25		**As at September 30, 2016**
Other Financial Liabilities (Unsecured unless stated otherwise)		
Current Maturities of Long Term Debts		
Foreign Currency Loans from Banks (Secured)	4,046	
Rupee Term Loan	61	
Rupee Term Loan (Secured)	3,856	
11.60% Redeemable, Non Convertible Debentures (Secured)	500	
11.25% Redeemable, Non Convertible Debentures (Secured)	375	**8,838**
Others		
Interest accrued but not due on borrowings	312	
Payable to tax authorities	318	
Unclaimed Dividend	5	
Employee Stock Options	1	
Capital Creditors	526	**1,162**
		10,000

RELIANCE COMMUNICATIONS LIMITED
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.26		**As at September 30, 2016**
Other Current Liabilities (Unsecured unless stated otherwise)		
Income Received in advance		**510**
Other Liabilities		**5,362**
		5,872

Note: 2.27

Provisions		
Provision for Employee benefits		
Retirement Benefits		**7**
Others		
Disputed Claims and Others	1,215	
Wealth Tax (net of taxes paid) ₹ 23,82,817	-	
Income Tax	12	**1,227**
		1,234

Note: 2.28		**For the period ended September 30, 2016**
Revenue From Operations		
Sale of Services	5,446	
Less: Service Tax	752	**4,694**
		4,694

Note: 2.29

Other Income	
Rent	**2**
Miscellaneous Income	**29**
Interest Income & Dividend Income	**153**
	184

Note: 2.30	**For the period ended September 30, 2016**
Access Charges, License Fees and Network Expenses	
Access Charges	**1,595**
License Fees	**316**
Infrastructure Charges	**1,074**
Network Repairs and Maintenance	**333**
Stores and Spares Consumed	**16**
Power, Fuel and Utilities	**464**
Other Network Operating Expenses	**105**
	3,903

Note: 2.31

Employee Benefits Expenses	
Salaries (including managerial remuneration)	**85**
Contribution to Provident, Gratuity and Superannuation Fund	**6**
Employee Welfare and Other Amenities	**10**
	101

RELIANCE COMMUNICATIONS LIMITED
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

(₹ in crore)

Note: 2.32

Finance Costs

		For the period ended September 30, 2016
Interest and Other Charges on Term Loans	660	
Interest on Other Loans	427	**1,087**
Other Financial Cost		**136**
		1,223

Note: 2.33

Other Expenses

		For the period ended September 30, 2016
Selling, Marketing and Distribution Expenses		**178**
Provision for Doubtful Debts		**54**
Insurance	5	
Rent, Rates and Taxes	41	
Other Repairs	1	
Travelling	5	
Professional Fees	40	
Loss on Sale of Capital Work in Progress	170	
Hire Charges	9	
Data Warehousing Charges	51	
Other General and Administrative Expenses	85	**407**
Payment to Auditors		
- Statutory Audit Fees		**3**
		642

Reliance Telecom Limited

Supplementary Unaudited Accounting Statements as at September 30, 2016

Reliance Telecom Limited

Unaudited Interim Balance Sheet as at September 30, 2016

(₹ in Crore)

	Notes		As at September 30, 2016
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	**2.01**	3,450.01	
(b) Capital Work in Progress	**2.02**	150.75	
(c) Other Intangible Assets	**2.02**	3,040.43	
(d) Intangible Assets under Development	**2.04**	869.37	
(e) Financial Assets			
(i) Other Financial Assets	**2.03**	5.25	
(f) Deferred Tax Asset (net)		29.31	
(g) Other Non Current Assets	**2.04**	77.47	
(h) Income Tax Assets (net)	**2.05**	114.77	**7,737.36**
Current Assets			
(a) Inventories	**2.06**	5.77	
(b) Financial Assets			
(i) Trade Receivables	**2.07**	56.19	
(ii) Cash and Cash Equivalents	**2.08**	3.46	
(iii) Other Financial Assets	**2.09**	39.34	
(c) Other Current Assets	**2.10**	1,587.44	**1,692.20**
Total Assets			**9,429.56**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	**2.11**	85.00	
(b) Other Equity		(1,314.07)	**(1,229.07)**
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**2.12**	1,956.91	
(ii) Deferred Payment Liablities		1,921.48	
(iii) Other Financial Liabilities	**2.13**	298.12	
(b) Provisions	**2.14**	0.90	**4,177.41**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**2.15**	4,867.99	
(ii) Trade Payables	**2.16**	627.55	
(iii) Other Financial Liabilities	**2.17**	708.13	
(b) Other Current Liabilities	**2.18**	277.37	
(c) Provisions	**2.19**	0.18	**6,481.22**
Total Equity and Liabilities			**9,429.56**

Reliance Telecom Limited

Unaudited Interim Statement of Profit and Loss for Six months ended September 30, 2016

(₹ in crore)

		Notes		For Six months ended September 30, 2016
	INCOME			
I	Revenue from Operations	**2.20**		991.51
II	Other Income	**2.21**		0.65
III	**Total Income (I + II)**			**992.16**
IV	**EXPENSES**			
	Access Charges, License Fees and Network Expenses	**2.22**		884.84
	Employee Benefits Expenses	**2.23**		2.48
	Finance Costs	**2.24**		150.34
	Depreciation, Impairment and Amortisation	**2.01 & 2.02**		198.33
	Sales and General Administration Expenses	**2.25**		73.46
	Total Expenses (IV)			**1,309.45**
V	**Profit Before Tax (III- IV)**			**(317.29)**
VI	Tax expense:			
	- Current Tax		-	
	- Deferred Tax Charge/ (Credit) (net)		-	**-**
VII	**Profit After Tax (V - VI)**			**(317.29)**
VIII	**Other Comprehensive Income**			
IX	**Total other comprehensive income, net of tax**			-
X	**Total Comprehensive Income for the period (VII + IX)**			**(317.29)**
XI	**Earnings per Share of ₹ 10 each fully paid up**			
	- Basic (₹)			(37.33)
	- Diluted (₹)			(37.33)

Reliance Telecom Limited

Unaudited Interim Statement of Change in Equity
as at September 30, 2016

(a) Equity share capital

(₹ in crore)

Balance at April 1, 2016	
8,50,00,000 Equity Shares of ₹ 10 each fully paid	85.00
Change in equity share capital during the period	-
Balance at September 30, 2016	**85.00**

(b) Other Equity (₹ in Crore)

Particulars	Reserves and Surplus		Total
	Preference Share Redemption Reserve	Retained Earnings	
Balance as at April 1, 2016	200.00	(1,196.78)	**(996.78)**
Loss for the period	-	(317.29)	**(317.29)**
Other Comprehensive Income for the period	-	-	**-**
Balance as at September 30, 2016	**200.00**	**(1,514.07)**	**(1,314.07)**

2.01 Property, Plant and Equipment (₹ in crore)

Particulars	Leasehold Land	Leasehold Improvement	Buildings	Plant and Machinery	Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross carrying value									
As at March 31, 2016	0.13	14.08	0.07	5,516.12	17.31	13.58	3.91	0.90	5,566.10
Additions									-
Transfer from CWIP	-	-	-	49.64	-	-	-	-	49.64
Disposals	-	-	-	(6.40)	-	-	-	-	(6.40)
Exchange Differences	-	-	-	8.59	-	-	-	-	8.59
As at September 30, 2016	0.13	14.08	0.07	5,567.95		13.58	3.91	0.90	5,617.93
Accumulated Depreciation									
As at March 31, 2016	0.02	8.87	0.02	2,013.59	15.49	12.96	3.47	0.86	2,055.28
Depreciation for the period	-	0.39	-	114.51	0.40	-	0.06	-	115.36
Disposals	-	-	-	(2.72)	-	-	-	-	(2.72)
As at September 30, 2016	0.02	9.26	0.02	2,125.38		12.96	3.53	0.86	2,167.92
Closing net carrying value as at September 30, 2016	0.11	4.82	0.05	3,442.57		0.62	0.38	0.04	3,450.01
Gross carrying value as at September 30, 2016	0.13	14.08	0.07	5,567.95		13.58	3.91	0.90	5,617.93
Accumulated Depreciation	0.02	9.26	0.02	2,125.38		12.96	3.53	0.86	2,167.92
Closing net carrying value as at September 30, 2016	0.11	4.82	0.05	3,442.57		0.62	0.38	0.04	3,450.01

2.02 Other Intangible Assets (₹ in crore)

Particulars	Telecom Licences	Software	Total
Gross carrying value			
As at March 31, 2016	3,458.69	0.23	3,458.92
Additions	-	-	-
Disposals/ Discarded	-	-	-
As at September 30, 2016	3,458.69	0.23	3,458.92
Accumulated amortisation			
As at March 31, 2016	335.29	0.23	335.52
Amortisation for the period	82.97	-	82.97
Disposals/ Discarded	-	-	-
As at September 30, 2016	418.26	0.23	418.49
Closing net carrying value as at September 30, 2016	3,040.43	-	3,040.43
Gross carrying value as at September 30, 2016	3,458.69	0.23	3,458.92
Accumulated amortisation	418.26	0.23	418.49
Closing net carrying value as at September 30, 2016	3,040.43	-	3,040.43

2.03 Other Financial Assets (₹ in crore)

Particulars	As at September 30, 2016
Deposit with Bank (Margin Money Deposits)	5.25
	5.25

2.04 Other Non Current Assets (₹ in crore)

Particulars	As at September 30, 2016
Capital Advances	31.08
Prepaid Expenses	7.99
Deposits	38.40
	77.47

2.05 Income Tax Assets (net) (₹ in crore)

Particulars	As at September 30, 2016
Advance Income Tax and Tax Deducted at source (net of provision for tax)	114.77
	114.77

2.06 Inventories (₹ in crore)

Particulars	As at September 30, 2016
Stores and Spares	4.08
Stock in Trade (Communication Devices and Accessories)	1.69
	5.77

Reliance Telecom Limited

Notes to the Unaudited Interim Financial Statements

2.07 Trade Receivables (unsecured) (₹ in crore)

Particulars	As at September 30, 2016
Considered Good	59.06
Less: Provision for Doubtful Debts	2.87
	56.19
Considered Doubtful	91.21
Less: Provision for Doubtful Debts	91.21
	-
	56.19

2.08 Cash and Cash Equivalents (₹ in crore)

Particulars	As at September 30, 2016
Cheques on hand	0.07
Balance with Banks	3.39
	3.46

2.09 Other Financial Assets (₹ in crore)

Particulars	As at September 30, 2016
Unbilled Revenue	39.34
	39.34

2.10 Other Current Assets (Unsecured) (₹ in crore)

Particulars	As at September 30, 2016
a) Advances and Receivables	
Considered good	
Related Parties	750.16
Others	422.25
	1,172.41
b) Others	
Balance with Customs, Central Excise Authorities etc	191.50
Prepaid Expenses	223.53
	1,587.44

2.11 Share Capital (₹ in crore)

Particulars		As at September 30, 2016
Authorised		
120,000,000	Equity Shares of ₹ 10 each	120.00
100,000,000	Preference Shares of ₹ 10 each	100.00
280,000,000	Unclassified Shares of ₹ 10 each	280.00
		500.00
Issued, Subscribed and Paid up		
85,000,000	Equity Shares of ₹ 10 each fully paid	85.00
		85.00

Reliance Telecom Limited

Notes to the Unaudited Interim Financial Statements

2.12 Borrowings (₹ in Crore)

Particulars	As at September 30, 2016
Secured	
From Banks	
Foreign Currency Loans	**1,200.07**
Rupee Loans	**456.84**
Unsecured	
From Related Parties	**300.00**
	1,956.91

2.13 Other Financial Liabilities (₹ in Crore)

Particulars	As at September 30, 2016
Interest Accrued but not due	**298.12**
	298.12

2.14 Provisions

Particulars	As at September 30, 2016
Provision for Retirement Benefit	**0.46**
Assets retirement obligation	**0.44**
	0.90

2.15 Borrowings (₹ in Crore)

Particulars	As at September 30, 2016
Unsecured	
From Banks	
Foreign Currency Loans-Buyers Credit	**0.25**
From Related Parties	
Borrowings	**3,475.04**
Preference Shares	**1,392.70**
	4,867.99

2.16 Trade Payables (₹ in Crore)

Particulars	As at September 30, 2016
Due to Micro, Small and Medium Enterprises	**6.69**
Related Parties	**326.92**
Others	**293.94**
	627.55

2.17 Other Financial Liabilities (₹ in Crore)

Particulars	As at September 30, 2016
Current Maturities of Long Term Debts	
Secured	
From Banks	
Foreign Currency Loan from Banks	**269.53**
Rupee Term Loan	**215.79**
Others	
Interest accrued but not due on loans	**73.68**
Capital Creditors	**149.13**
	708.13

Reliance Telecom Limited

Notes to the Financial Statements

2.18 Other Current Liabilities (₹ in Crore)

Particulars	As at September 30, 2016
Accrual of Expenses	**51.60**
Advance from Customers	**3.43**
Income received in advance	**131.91**
Book Overdraft	**19.62**
Deposits	**17.38**
Statutory dues payable	**52.66**
Employee Benefits payable	**0.77**
	277.37

2.19 Provisions (₹ in Crore)

Particulars	As at September 30, 2016
Employee Benefits	**0.18**
	0.18

2.20 Revenue from Operations (₹ in crore)

Particulars		For Six months ended September 30, 2016
Sale of Services	1,142.89	
Less: Service Tax	151.38	991.51
		991.51

2.21 Other Income

Particulars	For Six months ended September 30, 2016
Interest Income	0.48
Miscellaneous Income	0.17
	0.65

Reliance Telecom Limited

Notes to the Unaudited Interim Financial Statements

2.22 Access Charges, Lcense fees and network Expenses (₹ in crore)

Particulars	For Six months ended September 30, 2016
Access Charges	418.69
License Fees	70.53
Bandwidth Charges	23.61
Passive Infrastructure Charges	288.32
Rent	4.13
Rates and Taxes	0.33
Insurance	0.59
Repairs and Maintenance	49.60
Stores and Spares Consumed	8.44
Power, Fuel and Utilities	5.73
Cost of Service Contents and Applications	14.15
Other Network Operating Expenses	0.72
	884.84

2.23 Employee Benefits Expenses (₹ in crore)

Particulars	For Six months ended September 30, 2016
Salaries and Wages	1.36
Contribution to Provident and Other Funds	0.21
Employee Welfare and Other Amenities	0.91
	2.48

2.24 Finance Costs (₹ in crore)

Particulars	For Six months ended September 30, 2016
Interest on Borrowings and Others	125.50
Commitment Charges/ Agency fee for Borrowings	22.35
Other Financial Cost	2.49
	150.34

2.25 Sales and General Administrative Expenses (₹ in crore)

Particulars		For Six months ended September 30, 2016
Selling Expenses		39.31
Provision for Doubtful Debts		12.58
General Administration Expenses		
Rent	0.41	
Rates and Taxes	5.22	
Repairs and Maintenance -Others	0.84	
Travelling Expenses	1.35	
Professional Fees	3.12	
Net loss on Foreign currency transactions and translation	0.89	
Net loss on Sale of Fixed Assets	3.35	
Communication Expenses	0.03	
Printing and Stationery	0.63	
Billing and IT expenses	2.37	
Postage and Courier	0.07	
Membership and Subscription Fee	0.21	
Hire Charges	0.18	
Other General and Administrative Expenses	2.77	21.44
Payment to Auditors		
- Audit Fees		0.13
		73.46

Aircel Limited

Supplementary Unaudited Accounting Statements as at September 30, 2016

(All amounts in rupees unless otherwise stated)

	Notes	As at September 30, 2016
ASSETS		
Non current assets		
Property, plant and equipment	1	49,33,60,70,015
Capital work-in-progress		3,52,82,21,217
Intangible assets	2	74,21,78,54,354
Intangible assets under development		22,94,15,602
		1,27,31,15,61,188
Financial assets		
Investments	3	15,18,81,30,000
Security deposits	4	75,43,79,731
Margin money deposits	5	2,98,45,25,402
Other non-current assets	6	4,21,48,35,927
		23,14,18,71,060
Current assets		
Inventories - sim cards		5,44,06,733
Financial assets		
Loans	7	8,47,69,99,499
Trade receivables	8	1,53,62,30,949
Cash and cash equivalents	9	17,69,96,66,533
Bank balances other than cash and cash equivalents	10	2,00,98,676
Other current assets	11	10,39,22,35,015
		38,17,96,37,405
Total		**1,88,63,30,69,653**
EQUITY AND LIABILITIES		
Equity		
Equity share capital		2,43,24,32,430
Other equity		(1,84,27,25,82,824)
		(1,81,84,01,50,394)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	12	3,13,13,89,67,373
Provisions	13	1,15,89,12,735
Other non-current liabilities	14	4,16,97,12,404
		3,18,46,75,92,512
Current liabilities		
Financial liabilities		
Borrowings	15	13,74,77,27,454
Trade payables	16	28,38,31,94,814
Other financial liabilities	17	5,20,49,03,976
Other current liabilities	18	4,21,68,75,683
Provisions	19	45,29,25,608
		52,00,56,27,535
Total		**1,88,63,30,69,653**

Aircel Limited
Provisional Statement of Profit and Loss for the six months ended September 30, 2016
(All amounts in rupees unless otherwise stated)

Particulars	Notes	Six months ended September 30, 2016
Revenue from operations	20	32,00,43,54,859
Other income	21	2,70,28,31,072
Total Income		**34,70,71,85,931**
EXPENSES		
Access charges		11,68,16,91,742
License fees and spectrum charges (revenue share)		4,54,77,18,706
Cost of materials consumed		11,33,22,998
Employee benefits expense	22	1,89,86,44,627
Other expenses	23	14,88,51,12,161
Finance costs	24	12,82,85,45,183
Depreciation and amortisation expense	25	5,60,21,78,630
Total expenses		**51,55,72,14,047**
Loss for the period		**(16,85,00,28,116)**
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurements of the defined benefit plans		37,90,931
Total comprehensive income/ (expense) for the period		**(16,84,62,37,185)**
(Comprising loss and other comprehensive income/ (expense) for the period)		
Loss per equity share:		
- Basic		(69)
- Diluted		(69)

Aircel Limited
Provisional Statement of Changes in Equity for six months ended September 30, 2016
(All amounts in rupees unless otherwise stated)

a) Equity share capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Equity Shares	2,43,24,32,430	-	2,43,24,32,430

b) Other equity

Particulars	Securities premium reserve	Retained earnings	General reserve	Equity component of redeemable preference shares	Total
Balance at the beginning of the reporting period	11,87,53,92,570	(2,42,97,90,88,368)	9,51,81,63,664	37,84,51,99,779	(1,83,74,03,32,355)
Loss for the period	-	(16,85,00,28,116)	-	-	
Impact of modification of terms of redeemable preference shares	-	-	-	16,31,39,86,716	16,31,39,86,716
Other comprehensive income	-	37,90,931	-	-	
Total comprehensive income/ (expense)	-	(16,84,62,37,185)	-	-	(16,84,62,37,185)
Balance at the end of the reporting period	**11,87,53,92,570**	**(2,59,82,53,25,553)**	**9,51,81,63,664**	**54,15,91,86,495**	**(1,84,27,25,82,824)**

Aircel Limited
Notes to the Special Purpose Financial Statements
(All amounts in rupees unless otherwise stated)

1. Property, plant and equipmentas at September 30, 2016

	Gross Block					Depreciation / Impairment					Net Block
	As at April 01, 2016	Additions	Disposals	Adjustment	As at September 30, 2016	As at April 01, 2016	Depreciation for the year	Disposals	Adjustment	As at September 30, 2016	As at September 30, 2016
Own assets:											
Freehold Land	4,02,98,310	-	-	-	4,02,98,310	-	-	-	-	-	4,02,98,310
Buildings	2,62,02,765	-	-	-	2,62,02,765	1,75,33,673	12,04,634	-	-	1,87,38,307	74,64,458
Leasehold Improvements	73,53,43,616	2,61,64,209	-	36,57,557	76,51,65,382	46,29,01,356	2,92,53,475	-	33,78,534	49,55,33,365	26,96,32,017
Plant and Machinery	80,49,12,20,938	1,09,13,92,119	2,62,09,767	3,00,96,78,819	84,56,60,82,109	39,76,36,14,720	2,58,08,46,798	1,46,23,761	2,41,30,64,501	44,74,29,02,258	39,82,31,79,851
Office Equipment	44,36,82,451	2,33,11,922	64,995	2,00,50,443	48,69,79,821	39,31,34,390	90,03,064	64,995	1,99,34,324	42,20,06,783	6,49,73,038
Furniture and Fixtures	15,42,84,769	43,81,588	42,750	69,78,746	16,56,02,353	14,61,34,338	3,35,341	42,750	69,34,183	15,33,61,112	1,22,41,241
Vehicles	2,65,45,302	-	-	-	2,65,45,302	2,52,37,709	1,43,699	-	-	2,53,81,408	11,63,894
Computers	1,25,97,01,594	6,36,98,289	-	25,16,380	1,32,59,16,263	1,12,99,16,856	4,30,10,044	-	24,41,861	1,17,53,68,761	15,05,47,502
Total	**83,17,72,79,745**	**1,20,89,48,127**	**2,63,17,512**	**3,04,28,81,945**	**87,40,27,92,305**	**41,93,84,73,042**	**2,66,37,97,055**	**1,47,31,505**	**2,44,57,53,402**	**47,03,32,91,994**	**40,36,95,00,311**
Assets taken on finance lease:											
Plant and Machinery	14,10,41,36,037	-	11,22,43,569	-	13,99,18,92,468	4,92,78,56,583	30,81,52,121	3,37,69,420	-	5,20,22,39,285	8,78,96,53,183
Plant and Machinery (taken on IRU basis)	43,54,95,143	-	-	-	43,54,95,143	25,43,15,792	79,79,302	-	-	26,22,95,094	17,32,00,049
Computers	1,43,91,40,623	-	-	-	1,43,91,40,623	1,43,54,24,151	(0)	-	-	1,43,54,24,151	37,16,472
Total	**15,97,87,71,803**	**-**	**11,22,43,569**	**-**	**15,86,65,28,234**	**6,61,75,96,527**	**31,61,31,422**	**3,37,69,420**	**-**	**6,89,99,58,529**	**8,96,65,69,704**
Grand Total	**99,15,60,51,548**	**1,20,89,48,127**	**13,85,61,081**	**3,04,28,81,945**	**1,03,26,93,20,539**	**48,55,60,69,569**	**2,97,99,28,478**	**4,85,00,925**	**2,44,57,53,402**	**53,93,32,50,524**	**49,33,60,70,015**

2. Other Intangible Assets as at September 30, 2016

	Gross Block					Amortisation / Impairment					Net Block
	As at April 01, 2016	Additions	Disposals	Adjustment	As at September 30, 2016	As at April 01, 2016	Amortisation for the year	Disposals	Adjustment	As at September 30, 2016	As at September 30, 2016
Own assets:											
Licence Fees / Spectrum	1,00,67,15,74,689	24,43,36,98,494	27,78,25,47,761	-	97,32,27,25,422	29,46,22,57,864	2,60,67,12,958	3,30,12,09,427	(5,62,48,58,704)	23,14,29,02,691	74,17,98,22,731
Computer Software	11,52,27,344	-	-	(1,28,283)	11,50,99,061	6,15,30,242	1,55,37,196	-	-	7,70,67,438	3,80,31,623
Assets taken on finance lease:											
Computer Software	8,71,29,270	-	-		8,71,29,270	8,71,29,270	-	-	-	8,71,29,270	0
Total	**1,00,87,39,31,303**	**24,43,36,98,494**	**27,78,25,47,761**	**(1,28,283)**	**97,52,49,53,753**	**29,61,09,17,376**	**2,62,22,50,154**	**3,30,12,09,427**	**(5,62,48,58,704)**	**23,30,70,99,399**	**74,21,78,54,354**

Aircel Limited
Notes to the Provisional Financial Statements
(All amounts in Rupees unless otherwise stated)

3. Investments- Non-current financial assets

	As at September 30, 2016
Trade investments (valued at cost)	
Unquoted equity instruments	
Investment in subsidiaries #	
1,048,999,994 of Rs.10 each held in Aircel Cellular Limited	13,54,61,80,081
29,798,124 Equity Shares of Rs.10 each held in Dishnet Wireless Limited	1,29,19,49,919
34,999,994 Equity Shares of Rs.10 each held in Aircel Smart Money Limited	35,00,00,000
	15,18,81,30,000

Investment in ACL, ASML and DWL are pledged with banks as collateral security against the borrowings.

4. Loans-Non-current Financial Assets
(Unsecured, considered good unless otherwise stated)

Security deposits	75,43,79,731
	75,43,79,731

5 Other-Non-current Financial Assets

Margin money deposits	2,98,45,25,402
	2,98,45,25,402

6. Other non current assets
(Unsecured, considered good unless otherwise stated)

Capital advances	
Considered good	60,74,11,922
Considered doubtful	7,03,43,054
	67,77,54,976
Provision for doubtful advances	(7,03,43,054)
	60,74,11,922
Advances other than capital advances	
Security deposit	24,13,08,380
Prepaid expenses	20,35,19,326
Advance income tax'[Net of provision of Rs. 428,597,773)	3,16,25,96,299
	4,21,48,35,927

		As at September 30, 2016
7	**Loans-Current Financial Assets**	
	(Unsecured, considered good unless otherwise stated)	
	Security deposits	53,53,13,499
	Intercorporate deposit to subsidiary	1,05,87,28,569
	Other loans and advances to subsidiary	6,87,84,83,980
	Others	
	Loans and advances to employees	44,73,451
		8,47,69,99,499

		As at September 30, 2016
8	**Trade receivables**	
	(Unsecured, considered good unless otherwise stated)	
	Considered good	1,53,62,30,949
	Considered doubtful	57,48,11,378
		2,11,10,42,327
	Provision for doubtful receivables	(57,48,11,378)
		1,53,62,30,949

		As at September 30, 2016
9	**Cash and cash equivalents**	
	Cash on hand	22,31,223
	Cheques/Draft on hand	27,45,874
	Balances with banks	
	-in current accounts	32,15,75,642
	-deposits with original maturity of less than three months	17,37,31,13,794
		17,69,96,66,533
10	**Bank balances other than above**	
	Margin money	2,00,98,676
		2,00,98,676

	As at September 30, 2016

11. Other current assets
(Unsecured, considered good unless otherwise stated)

Advances other than capital advances	
Advances to suppliers and others	
Considered good	83,72,39,281
Considered doubtful	1,10,89,93,210
	1,94,62,32,491
Less: Provision for doubtful advances	(1,10,89,93,210)
	83,72,39,281
Amounts receivable from DoT	4,69,67,45,699
Balances with Statutory / Government authorities	
Considered good	2,40,80,65,608
Considered doubtful	8,76,81,999
	2,49,57,47,607
Less: Provision for doubtful balances	(8,76,81,999)
	2,40,80,65,608
Prepaid expenses	1,01,69,40,652
Unamortised - debt origination cost	1,14,47,563
Accrued billing revenue	1,30,03,63,544
Interest accrued on fixed deposits	12,14,32,668
	10,39,22,35,015

12. Borrowings-Non-current Financial Liabilities

	As at September 30, 2016
Secured:	
Term Loans from:	
Banks -	70,87,29,26,782
Rupee loans	24,09,14,88,794
Foreign currency loans	
Others- Financial Institutions	
Rupee loans	**94,96,44,15,576**
	11,96,98,06,582
Finance lease obligations	**1,06,93,42,22,158**
Unsecured:	1,17,58,11,71,739
Due to related party	15,39,22,14,424
Deferred payment liabilities	73,23,13,59,052
Preference Share Capital- Debt component	
	2,06,20,47,45,215
	3,13,13,89,67,373

13. Non-Current provisions

	As at September 30, 2016
Provision for employee benefits	
Provision for compensated absences	4,66,47,151
Other provisions	
Provision for site restoration cost	2,93,03,006
Provision for onerous contracts	1,08,29,62,578
	1,15,89,12,735

14. Other non-current liabilities

Others:	
- Liabilities for interest accrued on finance lease	1,80,53,14,737
- Liabilities for interest accrued on Deferred Payment Liability	2,36,43,97,667
	4,16,97,12,404

15. Borrowings-Current Financial Liabilities

Unsecured:	
Loans from banks	12,97,25,00,000
Buyer's credit in foreign currency	77,52,27,454
	13,74,77,27,454

16. Trade payables- Current Financial Liabilities

	As at September 30, 2016
Total outstanding dues of creditors :	
(i) Acceptances	8,23,10,94,233
(ii) Others	20,15,21,00,581
	28,38,31,94,814

		As at September 30, 2016
17.	**Other financial liabilities-Current**	
	Current maturities of finance lease obligations	2,56,04,023
	Interest accrued but not due on borrowings	36,56,55,057
	Interest accrued and due on finance lease obligations	1,20,14,788
	Interest free deposits from subscribers and others	54,28,28,948
	Employee benefits payable	1,19,12,28,969
	Liabilities against capital expenditure	3,06,75,72,191
		5,20,49,03,976
18.	**Other current liabilities**	
	Unearned revenue	2,64,73,77,446
	Advance from customers	5,31,83,893
	Statutory dues (including provident fund, tax deducted at source and service tax)	1,09,85,16,123
	Others	41,77,98,221
		4,21,68,75,683
19.	**Current provisions**	
	Provision for employee benefits	
	Provision for gratuity	9,94,49,079
	Provision for compensated absences	2,76,91,853
	Other provisions	
	Provision for onerous contracts	32,57,84,676
		45,29,25,608

20 Revenue from operations

	Six months ended September 30, 2016
Service revenue	32,00,43,54,859
	32,00,43,54,859

21. Other income

Interest income from :	
Bank deposits	28,13,21,977
Customers on overdue amount	11,10,76,891
Profit on Sale of assets	2,24,01,43,946
Unwinding of discount on security deposits	2,22,98,169
Other non operating income :	
Liabilities/Provision written back to the extent no longer required	4,65,62,269
Miscellaneous income	14,27,820
	2,70,28,31,072

22. Employee benefits expense

Salaries, wages and bonus	1,75,10,86,771
Contribution to provident and other fund	8,00,62,416
Gratuity	1,75,98,461
Staff welfare expenses	4,61,06,048
Remeasurements of post-employment benefits obligations	37,90,931
Total	**1,89,86,44,627**

23. Other expenses

	Six months ended September 30, 2016
Advertisement and marketing	27,91,08,679
Sales commission and incentives	1,72,37,17,207
Business promotion	8,44,25,407
Billing and collection	36,00,15,513
Other selling distribution and marketing	27,77,66,610
Power and fuel	2,89,94,49,080
Rent	3,82,68,30,078
Repairs and maintenance to machinery	1,45,04,41,513
Repairs and maintenance to building	2,13,20,398
Repairs and maintenence others	4,67,83,254
Security charges	5,30,26,870
Insurance	7,52,13,120
Bandwidth, leaseline and port charges	67,32,01,667
VAS cost	56,61,91,654
Other network operating costs	14,72,81,905
Rates and taxes	61,44,99,239
Professional, legal and consultancy	85,42,54,153
Transition Charges	50,72,36,946
Recruitment and training	1,69,63,663
Travelling and conveyance	22,74,25,679
Communication	69,11,655
Printing and stationery	66,49,219
Net loss on foreign currency transaction and translation (other than considered as finance cost)	4,03,71,152
Directors' sitting fees	19,09,501
Bad debts	- 7,71,56,942
Provision for doubtful advances	14,00,000
Miscellaneous expenses	4,55,61,057
	14,88,51,12,161

24. Finance cost

Interest expense	8,12,47,81,194
Other finance charges	29,79,52,814
Unwinding of discount on provisions and financial liabilities	4,67,43,27,268
Applicable net loss on foreign currency transactions and translation*	13,13,61,241
	13,22,84,22,517
Less: Borrowing cost capitalised on BWA/additional spectrum	(39,98,77,334)
	12,82,85,45,183

* To the extent considered as an adjustment to borrowing cost

25. Depreciation, amortization and impairment expense

Depreciation on tangible assets	2,97,99,28,477
Amortization on intangible assets	2,62,22,50,153
	5,60,21,78,630

Dishnet Wireless Limited

Supplementary Unaudited Accounting Statements as at September 30, 2016

(All amounts in rupees unless otherwise stated)

	Notes	As at September 30, 2016
ASSETS		
Non current assets		
Property, plant and equipment	1	62,11,02,19,643
Capital work-in-progress		2,41,91,69,569
Intangible assets	2	20,04,75,56,757
Intangible assets under development		38,03,249
		84,58,07,49,218
Financial assets		
Security deposits	3	54,77,12,674
Margin money deposits	4	1,55,91,80,120
Other non-current assets	5	4,25,94,60,322
		6,36,63,53,116
Current assets		
Inventories - sim cards		5,57,63,226
Financial assets		
Trade receivables	6	3,29,70,38,074
Cash and cash equivalents	7	1,95,05,54,761
Bank balances other than cash and cash equivalents	8	1,48,16,619
Loans	9	95,20,34,519
Other current assets	10	17,79,05,90,180
		24,06,07,97,379
Total		**1,15,00,78,99,713**
EQUITY AND LIABILITIES		
Equity		
Equity share capital		29,79,81,300
Other equity		(1,61,92,55,42,246)
		(1,61,62,75,60,946)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	11	1,97,60,41,85,384
Provisions	12	71,79,43,557
Other non-current liabilities	13	3,13,47,69,067
		2,01,45,68,98,008
Current liabilities		
Financial liabilities		
Borrowings	14	22,12,40,14,829
Trade payables	15	31,05,92,32,710
Other financial liabilities	16	16,01,31,37,611
Other current liabilities	17	5,27,88,29,116
Provisions	18	70,33,48,385
		75,17,85,62,651
Total		**1,15,00,78,99,713**

Dishnet Wireless Limited
Provisional Statement of profit and loss for the six months ended September 30, 2016
(All amounts in rupees unless otherwise stated)

Particulars	Note	Six months ended September 30, 2016
Revenue from operations	19	35,56,21,83,774
Other income	20	51,28,46,023
Total Income		**36,07,50,29,797**
EXPENSES		
Cost of materials consumed		11,71,03,724
Access charges		8,56,29,89,313
License fees and spectrum charges (revenue share)		3,13,02,63,815
Employee benefits expense	21	1,35,62,59,534
Other expenses	22	14,37,85,71,666
Finance costs	23	8,84,80,14,259
Depreciation and amortisation expense	24	4,49,24,90,631
Total expenses		**40,88,56,92,942**
Loss before and after tax		**(4,81,06,63,145)**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans		2,34,857
Total comprehensive income/ (expense) for the period		**(4,81,04,28,288)**
(Comprising loss and other comprehensive income/ (expense) for the period		
Loss per equity share		
- Basic		(161)
- Diluted		(161)

a) Equity share capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Equity shares	29,79,81,300	-	29,79,81,300

b) Other equity

Particulars	Securities premium reserve	General reserve	Retained earnings	Equity component of redeemable preference shares	Total
Balance at the beginning of the reporting period	3,08,21,31,384	20,19,21,50,689	(1,91,99,26,57,081)	11,60,32,61,050	(1,57,11,51,13,958)
Loss for the period	-	-	(4,81,06,63,145)	-	-
Other comprehensive income	-	-	2,34,857	-	-
Total comprehensive income/ (expense)	-	-	**(4,81,04,28,288)**	-	(4,81,04,28,288)
Balance at the end of the reporting period	**3,08,21,31,384**	**20,19,21,50,689**	**(1,96,80,30,85,369)**	**11,60,32,61,050**	**(1,61,92,55,42,246)**

Dishnet Wireless Limited

Notes to the Provisional Financial Statements

(All amounts in Rupees unless otherwise stated)

1. **Property, plant and Equipments as at Septemeber 30, 2016**

Particulars	Gross Block					Depreciation /impairment						Net Block
	As at April 1, 2016	Additions	Disposals	Adjustments	As at Septemeber 30, 2016	As at April 1, 2016	For the year	Reversal of Impairment Loss	Disposals	Adjustments	As at Septemeber 30, 2016	As at Septemeber 30, 2016
Own assets:												
Freehold land	8,35,17,311	-	-	-	8,35,17,311	-	-	-	-	-	-	8,35,17,311
Buildings	40,20,55,838	-	-	-	40,20,55,838	17,35,06,129	1,08,54,405	-	-	-	18,43,60,534	21,76,95,304
Leasehold land and buildings	9,33,04,000	-	-	-	9,33,04,000	4,02,65,093	25,18,952	-	-	-	4,27,84,045	5,05,19,955
Leasehold improvements	46,21,01,579	1,76,689	6,87,676	1,08,228	46,16,98,819	46,20,99,583	0	-	4,35,448	34,684	46,16,98,819	-
Plant and machinery	98,57,72,34,951	2,41,47,37,002	6,37,35,314	3,09,49,02,379	1,04,02,31,39,018	50,37,42,65,075	3,12,60,25,703	22,03,246	4,10,27,036	2,69,21,21,800	56,14,91,82,296	47,87,39,56,722
Office equipments	28,42,78,574	1,17,977	51,45,344	1,14,02,429	29,06,53,636	27,57,87,848	23,92,814	1,16,83,616	51,43,157	1,11,05,432	27,24,59,321	1,81,94,315
Furniture and fixtures	13,40,03,654	4,63,540	2,53,386	11,10,760	13,53,24,568	13,26,16,828	2,16,452	-	2,53,386	10,53,336	13,36,33,230	16,91,338
Motor vehicles	2,73,23,557	-	28,15,017	-	2,45,08,540	2,63,79,091	7,35,475	-	28,15,017	-	2,42,99,549	2,08,991
Computers	87,92,13,216	5,66,886	33,70,108	53,53,906	88,17,63,900	85,66,71,588	48,20,255	-	33,70,108	47,81,320	86,29,03,054	1,88,60,845
Total(A)	**1,00,94,30,32,680**	**2,41,60,62,094**	**7,60,06,844**	**3,11,28,77,701**	**1,06,39,59,65,630**	**52,34,15,91,235**	**3,14,75,64,056**	**1,38,86,862**	**5,30,44,152**	**2,70,90,96,571**	**58,13,13,20,848**	**48,26,46,44,781**
Assets taken on finance lease												
Plant and machinery	21,72,31,32,444	-	9,07,49,081	-	21,63,23,83,363	7,79,68,17,770	50,78,04,872	-	2,73,02,224		8,27,73,20,418	13,35,50,62,944
Plant and Machinery (taken on IRU basis)	1,19,97,28,301	-	-	-	1,19,97,28,301	68,38,29,187	2,53,87,219	-	-		70,92,16,406	49,05,11,895
Computers	58,98,52,478	-	-	-	58,98,52,478	58,98,52,456	-	-	-		58,98,52,456	23
Total(B)	**23,51,27,13,223**	**-**	**9,07,49,081**	**-**	**23,42,19,64,142**	**9,07,04,99,412**	**53,31,92,092**	**-**	**2,73,02,224**	**-**	**9,57,63,89,280**	**13,84,55,74,862**
Grand Total (A+B)	**1,24,45,57,45,903**	**2,41,60,62,094**	**16,67,55,926**	**3,11,28,77,701**	**1,29,81,79,29,772**	**61,41,20,90,647**	**3,68,07,56,148**	**1,38,86,862**	**8,03,46,375**	**2,70,90,96,571**	**67,70,77,10,129**	**62,11,02,19,643**

2. Other Intangible assets as at Septemeber 30, 2016

Particulars	**Gross Block**					**Amortization/impairment**						Net Block
	As at April 1, 2016	**Additions**	**Disposals**	**Adjustments**	**As at Septemeber 30, 2016**	**As at April 1, 2016**	**For the year**	**Reversal of Impairment Loss**	**Disposals**	**Adjustments**	**As at Septemeber 30, 2016**	As at Septemeber 30, 2016
Own assets (acquired)												
License fees/ Spectrum	32,14,86,09,988	-	3,85,73,34,346	-	28,29,12,75,642	8,96,96,03,868	77,99,24,179	-	40,61,06,302	(74,70,30,536)	8,59,63,91,209	19,69,48,84,433
Computer softwares	21,50,74,080	-	-	-	21,50,74,080	18,68,96,049	1,46,25,252	-	-	-	20,15,21,301	1,35,52,778
Assets taken on finance lease												
Bandwidth (taken on IRU basis)	92,90,90,122	-	-	-	92,90,90,122	55,91,77,391	3,10,45,982	-	-	-	59,02,23,373	33,88,66,749
Computer softwares	4,29,65,460	-	-	-	4,29,65,460	4,26,86,732	25,932	-	-	-	4,27,12,664	2,52,797
Total	33,33,57,39,650	-	3,85,73,34,346	-	29,47,84,05,304	9,75,83,64,040	82,56,21,345	-	40,61,06,302	(74,70,30,536)	9,43,08,48,547	20,04,75,56,757

3. Loans - Non-current Financial Assets

	As at September 30, 2016
(Unsecured, considered good unless otherwise stated)	
Security deposits	54,77,12,674
Total	**54,77,12,674**

4. Other-Non-current Financial Assets

Margin money deposits	1,55,91,80,120
	1,55,91,80,120

5. Other non-current assets

(Unsecured, considered good unless otherwise stated)	
Capital advances	50,54,97,094
Considered good	16,15,87,100
Considered doubtful	66,70,84,194
	(16,15,87,100)
Provision for doubtful advances	50,54,97,094
Advances other than Capital advances	
Prepaid expenses	17,34,33,937
Security deposits	35,55,33,644
Advance income tax'[Net of provision of Rs. 360,654,957]	3,22,49,95,647
Total	**4,25,94,60,322**

6. Trade receivables - Current Financial Assets

	As at September 30, 2016
(Unsecured, considered good unless otherwise stated)	
Considered good	3,29,70,38,074
Considered doubtful	77,28,35,750
	4,06,98,73,824
Provision for doubtful receivables	(77,28,35,750)
Total	**3,29,70,38,074**

Dishnet Wireless Limited
Notes to the Provisional Financial Statements
(All amounts in Rupees unless otherwise stated)

		As at September 30, 2016
7.	**Cash and cash equivalents**	
	Cash on hand	5,99,403
	Cheques/draft on hand	26,248
	Bank balances	
	In current accounts	63,03,62,818
	Demand deposits (less than 3 months maturity)	1,31,95,66,292
	Total	**1,95,05,54,761**
8.	**Bank balances other than above**	
	Margin money	1,48,16,619
	Total	**1,48,16,619**

9. Loans - Current Financial Assets

	As at September 30, 2016
(Unsecured, considered good unless otherwise stated)	
Security deposits	43,59,25,198
Loans to related parties	50,98,12,407
Others	
-Loans and advances to employees	62,96,914
Total	**95,20,34,519**

10. Other current assets
(Unsecured, considered good unless otherwise stated)

Advances other than Capital advances	
-Advances to suppliers and others	
Considered good	1,10,74,48,581
Considered doubtful	2,79,98,086
	1,13,54,46,667
Less: Provision for doubtful advances	(2,79,98,086)
	1,10,74,48,581
-Amounts paid under protest to DoT	
Considered good	1,48,14,40,577
Considered doubtful	53,80,73,000
	2,01,95,13,577
Less: Provision for doubtful advance	(53,80,73,000)
	1,48,14,40,577
-Balances with statutory/government authorities	
Considered good	11,49,13,50,535
Considered doubtful	8,78,69,172
	11,57,92,19,707
Less: Provision for doubtful advances	(8,78,69,172)
	11,49,13,50,535
-Prepaid expenses	1,16,62,71,513
-Accrued billing revenue	2,54,20,20,825
-Interest accrued on fixed deposits	20,58,149
Total	**17,79,05,90,180**

11. Borrowings - Non-current Financial Liabilities

	As at September 30, 2016
Secured:	
Term loans from:	
Banks -	
Rupee loans	63,19,50,32,146
Foreign currency loans	18,53,07,27,259
Others - Financial Institutions	
Rupee loans	2,35,00,00,000
	84,07,57,59,405
Finance lease obligations	19,78,55,25,623
	1,03,86,12,85,028
Unsecured:	
Due to related party	78,11,44,54,985
Deferred payment liabilities	1,40,43,68,103
Preference Share Capital- Debt component	14,22,40,77,268
Total	**1,97,60,41,85,384**

12. Non-current Provisions

	As at September 30, 2016
Provision for employee benefits	
Provision for gratuity	51,38,077
Provision for compensated absences	3,14,33,331
Other provisions	
Site restoration cost	3,44,25,866
Provision for onerous contracts	64,69,46,283
Total	**71,79,43,557**

13. Other non-current liabilities

- Liabilities for interest accrued on finance lease	2,84,01,73,940
- Liabilities for interest accrued on Deferred Payment Liability	29,45,95,127
Total	**3,13,47,69,067**

14. Borrowings - Current Financial Liabilities

Unsecured:	
Inter-corporate deposits from related parties	
- Holding company	1,05,87,28,569
- Fellow subsidiary company	20,40,17,79,295
Buyer's credit in foreign currency	66,35,06,965
Total	**22,12,40,14,829**

15. Trade payables - Current Financial Liabilities

Total outstanding dues of creditors :	
(i) Acceptances	9,66,35,80,714
(ii) Others	21,39,56,51,996
Total	**31,05,92,32,710**

	As at September 30, 2016
16. Other Financial liabilities-Current	
Current maturities of finance lease obligations	5,58,20,645
Interest accrued but not due on borrowings	28,59,51,326
Interest accrued and due on borrowings - Related Parties	9,16,72,27,142
Interest accrued and due on finance lease obligations	3,60,26,617
Interest free deposits from subscribers, dealers and others	29,20,93,289
Employee benefits payable	72,83,21,940
Liabilities against capital expenditure	3,35,40,72,059
Payable to related parties	2,09,36,24,593
Total	**16,01,31,37,611**
17 Other current liabilities	
Unearned revenue	3,38,19,65,690
Advance from customers	21,44,72,404
Statutory dues (including provident fund, tax deducted at source and service tax)	1,19,98,46,727
Others	48,25,44,295
Total	**5,27,88,29,116**
18 Current Provisions	
Provision for employee benefits	
Provision for gratuity	7,32,39,199
Provision for compensated absences	2,39,82,529
Other provisions	
Site Restoration Cost	
Provision for roll out obligations	33,40,00,000
Provision for onerous contracts	27,21,26,657
Total	**70,33,48,385**

	Six months ended September 30, 2016
19. Revenue from operations	
Mobile service	23,63,62,38,791
Aircel business services	11,92,59,44,983
Total	**35,56,21,83,774**
20. Other income	
Interest income from :	
Bank deposits	2,52,39,837
Customers on overdue amount	1,60,88,045
Profit on sale of assets	33,00,88,666
Unwinding of discount on security deposits	2,16,83,021
Other non operating income	
Liabilities/provision written back to the extent no longer required	3,78,04,536
Provision for doubtful debts written back	5,48,75,057
Miscellaneous income	2,70,66,861
Total	**51,28,46,023**

		Six months ended September 30, 2016
21.	**Employee benefit expense**	
	Salaries, wages and bonus	1,24,32,20,693
	Contribution to provident and other fund	5,83,86,462
	Gratuity	1,42,70,341
	Staff welfare expenses	4,01,47,181
	Remeasurements of post-employment benefits obligations	2,34,857
	Total	**1,35,62,59,534**
22.	**Other expenses**	
	Advertisement and marketing	11,51,17,386
	Sales commission and incentives	1,43,73,53,539
	Business promotion	4,05,12,977
	Billing and collection	22,63,39,880
	Other selling distribution and marketing	22,63,42,042
	Power and fuel	4,16,19,42,206
	Rent expense	3,75,43,78,371
	Bandwidth, leaseline and port charges	1,10,45,99,787
	Repairs and maintenance- machinery	1,30,88,23,670
	Net security expense	10,58,08,999
	Insurance	5,95,06,748
	VAS cost	30,31,64,064
	Other network operating costs	19,44,37,004
	Repairs and maintenance- building	4,49,71,951
	Repairs and maintenance- others	2,36,00,762
	Rates & taxes	20,08,22,572
	Professional, legal and consultancy	74,01,93,869
	Travelling and conveyance	19,13,16,297
	Communication	56,12,580
	Printing and stationery	52,39,197
	Net loss on foreign currency transaction and translation (other than considered as finance cost)	1,41,26,653
	Provision for doubtful advances	11,44,695
	Directors' sitting fees	18,59,251
	Bad debts	10,30,02,149
	Recruitment and training	3,21,168
	Miscellaneous expenses	80,33,849
	Total	**14,37,85,71,666**
23.	**Finance costs**	
	Interest expense	7,05,66,29,669
	Other finance charges	81,98,72,976
	Unwinding of discount on provisions and financial liabilities	87,03,14,937
	Applicable net loss on foreign currency transactions and translation*	10,11,96,677
	Total	**8,84,80,14,259**
	* To the extent considered as an adjustment to borrowing cost	
24.	**Depreciation and amortization expense**	
	Depreciation on tangible assets	3,68,07,56,148
	Amortization on intangible assets	82,56,21,345
	Reversal of impairment provision	
	- Tangible Assets	(1,38,86,862)
	Total	**4,49,24,90,631**

Deccan Digital Networks Private Limited
Provisional Balance Sheet as at 30 September 2016
All amounts in Indian Rupees (unless otherwise stated)

Particulars	Note	As at 30 September 2016
ASSETS		
Non-current assets		
Investment	1.1	16,84,89,45,070
		16,84,89,45,070
Current assets		
Financial Assets		
Cash and cash equivalents	1.2	66,96,260
Other current assets	1.3	4,436
		67,00,696
Total Assets		**16,85,56,45,766**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1.4	46,00,00,000
Other Equity	1.5	7,23,18,64,197
		7,69,18,64,197
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
Borrowings - unsecured (debt component of redeemable preference shares)	1.6	5,90,21,09,440
Deferred tax liabilities (net)		3,25,80,45,240
		9,16,01,54,680
Current liabilities		
Financial Liabilities		
Trade payables	1.7	24,22,940
Other current liabilities	1.8	12,03,949
		36,26,889
Total Equity and Liabilities		**16,85,56,45,766**

Deccan Digital Networks Private Limited
Provisional Statement of profit and loss for six months ended 30 September 2016
All amounts in Indian Rupees (unless otherwise stated)

Particulars	Note	Six months ended 30 September 2016
Other income	2.1	1,62,329
Total Income		**1,62,329**
Expenses		
Employee benefits expense	2.2	90,000
Other expenses	2.3	10,44,004
Finance costs	2.4	31,87,93,083
Total expenses		**31,99,27,087**
Loss before tax		**(31,97,64,758)**
Tax expense		
Current tax expense		50,160
Deferred tax benefit		(9,84,17,245)
Loss for the period		**(22,13,97,673)**
Total comprehensive expense for the period		**(22,13,97,673)**
Loss per equity share:		
Basic		(4.81)
Diluted		(4.81)

Deccan Digital Networks Private Limited
Notes forming part of Financial statements

1.1 - Non Current Investment *Rs.*

Particulars	**30-Sep-16**
Investment in Associate*	16,84,89,45,070
Total	**16,84,89,45,070**

* These Represents 85,135,135 Equity shares of Rs.10 each fully paid up of Aircel Limited

1.2 - Cash and cash equivalents *Rs.*

Particulars	**30-Sep-16**
Balances with banks:	
- On current accounts	27,96,260
- Deposits with original maturity of less than three months	39,00,000
Total	**66,96,260**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

1.3 - Financial assets- Other current assets *Rs.*

Particulars	**30-Sep-16**
Interest accrued	1,683
Advance Income Tax	2,754
Total	**4,436**

Deccan Digital Networks Private Limited
Notes forming part of Financial statements

1.4 - Equity Share Capital

Particulars	30-Sep-16
Authorised Share Capital	
30,00,00,000 Equity shares of Rs.10/- each	3,00,00,00,000
Total	**3,00,00,00,000**
Issued, Subscribed And Paid Up	
Equity Shares	
4,60,00,000 Equity shares of Rs. 10/- each	46,00,00,000
TOTAL	**46,00,00,000**

a. Movement in respect of Equity Shares is given below :

Particulars	30 September 2016	
	Nos.	Amount in Rs.
At the beginning of the period	4,60,00,000	46,00,00,000
(+) Issued during the period*	-	-
(-) Redeemed during the period	-	-
Outstanding at the end of the period	**4,60,00,000**	**46,00,00,000**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shareholders holding more than 5% shares in the Company

Particulars	30 September 2016	
	Nos.	% of Holding
Equity Shares :-		
Sindya Securities and Investments Private Limited: Holding Company	3,41,71,560	74%
Global Communication Services Holdings Ltd, Mauritius including its nominees	1,18,28,440	26%
Total	**4,60,00,000**	**100%**

d. Interim Dividend "NIL" per share is paid in respect of Equity Shares in Current Year.

Deccan Digital Networks Private Limited
Notes forming part of Financial statements

1.5 - Other Equity

Rs.

Particulars	Retained Earnings	Equity component of redeemable preference shares	Total equity
Balance as at March 31, 2016	(7,15,15,77,902)	14,60,48,39,772	7,45,32,61,870
Profit / loss for the period	(22,13,97,673)	-	(22,13,97,673)
Balance at the end of the reporting period	**(7,37,29,75,575)**	**14,60,48,39,772**	**7,23,18,64,197**

Deccan Digital Networks Private Limited
Notes forming part of Financial statements

1.6 - Borrowings - unsecured

Rs.

Particulars	30-Sep-16
Debt component of redeemable preference shares	5,90,21,09,440
Total	**5,90,21,09,440**

1.7 - Trade Payables - Current

Rs.

Particulars	30-Sep-16
Other payables	24,22,940
Total	**24,22,940**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- Interest payable is normally settled quarterly throughout the financial year

1.8 - Other Current Liabilities

Rs.

Particulars	30-Sep-16
Advances received from related parties	10,57,389
Statutory Liabilities	1,46,560
Total	**12,03,949**

Deccan Digital Networks Private Limited
Notes to the Provisional Statement of profit and loss for six months ended 30 September 2016

2.1 - Other Income

Rs.

Particulars	Period Ended 30 September 2016
Interest on bank deposit (Gross)	1,62,329
Total	**1,62,329**

2.2 - Employee benefits expense

Rs.

Particulars	Period Ended 30 September 2016
Salary Cost	90,000
Total	**90,000**

2.3 - Other Expenses

Rs.

Particulars	Period Ended 30 September 2016
Professional & Consultancy Fees	7,27,500
Rent	45,000
Bank Charges	224
Audit Fees	2,50,000
Loss on foreign exchange fluctuation	21,280
Total	**10,44,004**

2.4 - Finance Cost

Particulars	Period Ended 30 September 2016
Expenses / (Income) on Fair Valuation of - Other non current financial liabilities	31,87,93,083
Total	**31,87,93,083**

South Asia Communications Private Limited

Supplementary Unaudited Accounting Statements as at September 30, 2016

All amounts in Indian Rupees (unless otherwise stated)

Particulars	Note	As at 30 September 2016
ASSETS		
Non-current assets		
Financial Assets		
Investment	1.1	5,80,76,11,322
		5,80,76,11,322
Current assets		
Financial Assets		
Cash and cash equivalents	1.2	1,81,84,588
Other current assets	1.3	51,074
		1,82,35,662
Total Assets		**5,82,58,46,984**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1.4	6,21,72,780
Other Equity	1.5	(14,78,81,143)
		(8,57,08,363)
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
Borrowings - unsecured (debt component of redeemable preference sh	1.6	5,90,87,91,902
		5,90,87,91,902
Current liabilities		
Financial Liabilities		
Trade payables	1.7	11,06,556
Other current liabilities	1.8	14,67,889
Provisions	1.9	1,89,000
		27,63,445
Total Equity and Liabilities		**5,82,58,46,984**

South Asia Communications Private Limited
Provisional Statement of profit and loss for six months ended 30 September 2016
All amounts in Indian Rupees (unless otherwise stated)

Particulars	Note	Six months ended 30 September 2016
Finance income	2.1	32,54,22,298
Other income	2.2	4,22,675
Total revenue		**32,58,44,973**
Expenses		
Employee benefits expense	2.3	1,35,000
Other expenses	2.4	13,54,046
Finance costs	2.5	31,88,63,024
Total expenses		**32,03,52,070**
Profit before tax		54,92,903
Current tax expense		1,30,607
Profit for the period		**53,62,296**
Total comprehensive income for the period		**53,62,296**
Earnings per equity share :		
Basic		0.86
Diluted		0.86

South Asia Communications Private Limited
Notes to the Provisional Balance Sheet as at 30 September 2016

1.1 - Other Non Current Financial Assets *Rs.*

Particulars	30-Sep-16
Non-Convertible, Cumulative, Redeemable Preference Shares*	5,48,21,89,023
Add(Less) : Fair Value Impact	32,54,22,298
Total	**5,80,76,11,322**

* These Represents 1,644,594,517 Redeemable cumulative non-convertible preference shares of Rs.10 each fully paid up of Deccan Digital Networks Private Limited

1.2 - Cash and cash equivalents *Rs.*

Particulars	30-Sep-16
Balances with banks:	
- On current accounts	30,64,976
- Deposits with original maturity of less than three months	1,51,19,612
Total	**1,81,84,588**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

1.3. Finacial assets-Other current assets *Rs.*

Particulars	30-Sep-16
Interest Accured	24,854
Advance Income Taxes	26,220
Prepayments (paid to Director for future services)	
Total	**51,074**

South Asia Communications Private Limited
Notes to the Provisional Balance Sheet as at 30 September 2016

1.4 - Equity Share Capital

Rs.

Particulars	30-Sep-16
Authorised Share Capital	
300,000,000 Equity shares of Rs.10 each	3,00,00,00,000
Total	**3,00,00,00,000**
Issued, Subscribed And Paid Up	
Equity Shares	
6,217,278 Equity shares of Rs. 10 each	6,21,72,780
TOTAL	**6,21,72,780**

a. Movement in respect of Equity Shares is given below :

Particulars	30 September 2016	
	Nos.	Amount in Rs.
At the beginning of the period	62,17,278	6,21,72,780
(+) Issued during the period*	-	-
(-) Redeemed during the period	-	-
Outstanding at the end of the period	**62,17,278**	**6,21,72,780**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shareholders holding more than 5% shares in the Company

Particulars	30 September 2016	
	Nos.	% of Holding
Equity Shares :-		
Global Communication Services Holdings Ltd, Mauritius: Holding Company including its nominees	62,17,278	100%
Total	**62,17,278**	**100%**

d. Interim Dividend "NIL" per share is paid in respect of Equity Shares in Current Year.

1.5 - Other Equity

Rs.

Particulars	Retained Earnings	Equity component of redeemable preference shares	Total equity
Balance as at March 31, 2016	(14,75,68,35,579)	14,60,35,92,140	(15,32,43,439)
Add: Profit/ Loss for the year	53,62,296	-	53,62,296
Balance at the end of the reporting period	(14,75,14,73,283)	-	(14,78,81,143)

South Asia Communications Private Limited
Notes to the Provisional Balance Sheet as at 30 September 2016

1.6 - Borrowings - unsecured *Rs.*

Particulars	30-Sep-16
Debt component of redeemable preference shares	5,90,87,91,902
Total	**5,90,87,91,902**

1.7 - Trade Payables - Current *Rs.*

Particulars	30-Sep-16
Other payables	11,06,556
Total	**11,06,556**

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- Interest payable is normally settled quarterly throughout the financial year

1.8 - Other Current Liabilities *Rs.*

Particulars	30-Sep-16
Advances received from related parties	14,15,859
Statutory dues - tax deducted at source	52,030
Total	**14,67,889**

1.9 - Short Term Provisions *Rs.*

Particulars	30-Sep-16
Expenses Payable	1,89,000
Total	**1,89,000**

South Asia Communications Private Limited
Notes to the Provisional Statement of profit and loss for six months ended 30 September 2016

2.1 - Finance income

Rs.

Particulars	Period Ended 30 September 2016
Expenses / (Income) on Fair Valuation of - Other non current financial assets	(32,54,22,298)
Total	**(32,54,22,298)**

2.2 - Other Income

Rs.

Particulars	Period Ended 30 September 2016
Interest on bank deposit (Gross)	4,22,675
Others	-
Total	**4,22,675**

2.3 - Employee benefits expense

Rs.

Particulars	Period Ended 30 September 2016
Salaries and Bonus	1,35,000
Total	**1,35,000**

2.4 - Other Expenses

Rs.

Particulars	Period Ended 30 September 2016
Professional & Consultancy Fees	9,49,030
Audit Fees	2,50,000
Bank charges	1,006
Interest charges on Delayed remittance of Stautory dues	1,33,456
Miscellaneous Expenses	20,554
Total	**13,54,046**

2.5 - Finance Cost

Rs.

Particulars	Period Ended 30 September 2016
Expenses / (Income) on Fair Valuation of - Other non current financial liabilities	31,88,63,024
Total	**31,88,63,024**

RELIANCE

Reliance Communications Limited
Dhirubhai Ambani Knowledge City
Navi Mumbai - 400 710, India

Tel : +91 22 3037 3333
+91 22 3038 6286
Fax : +91 22 3037 6622
www.rcom.co.in

Annexure I

Complaints Report

Details of complaints received from 7th December to 28th December, 2016 for the proposed Composite Scheme of Arrangement between Reliance Communications Limited And Reliance Telecom Limited And Aircel Limited And Dishnet Wireless Limited And Deccan Digital Networks Private Limited And South Asia Communications Private Limited And their Respective Shareholders And Creditors ("Scheme").

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Reliance Communications Limited

Prakash Shenoy
Company Secretary

Date: 29th December, 2016

RELIANCE

Annexure I

Complaints Report

Details of complaints received from 18th October, 2016 to 7th November, 2016 for the proposed Composite Scheme of Arrangement between Reliance Communications Limited And Reliance Telecom Limited And Aircel Limited And Dishnet Wireless Limited And Deccan Digital Networks Private Limited And South Asia Communications Private Limited And their Respective Shareholders And Creditors ("Scheme").

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Reliance Communications Limited

Prakash Shenoy
Company Secretary

Date: 10th November, 2016.

Reliance Communications Limited

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/10520 March 03, 2017

The Company Secretary
Reliance Communications Limited
H Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Thane, Navi Mumbai 400710

Kind Attn.: Mr. Prakash Shenoy

Dear Madam,

Sub: Observation letter for Composite Scheme of Arrangement between Reliance Communications Limited And Reliance Telecom Limited And Aircel Limited And Dishnet Wireless Limited And Deccan Digital Networks Private Limited And South Asia Communications Private Limited And their Respective Shareholders And Creditors

This has reference to Composite Scheme of Arrangement between Reliance Communications Limited And Reliance Telecom Limited And Aircel Limited And Dishnet Wireless Limited And Deccan Digital Networks Private Limited And South Asia Communications Private Limited And their Respective Shareholders And Creditors submitted to NSE vide your application dated December 06, 2016.

Based on our letter reference no Ref: NSE/LIST/99280 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated February 17, 2017, has given following comments on the draft Scheme of Amalgamation:

"The Company shall duly comply with various provisions of the Circular."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court / NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from March 03, 2017, within which the Scheme shall be submitted to the Hon'ble High Court/ NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court / NCLT, you shall submit to NSE the following:

a) Copy of Scheme as approved by the High Court / NCLT;
b) Result of voting by shareholders for approving the Scheme;
c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
d) Status of compliance with the Observation Letter/s of the stock exchanges.
e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and

f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Divya Babu Poojari
Date: Fri, Mar 3, 2017 17:46:10 GMT+05:30
Location: NSE

EXPERIENCE THE NEW

DCS/AMAL/MD/R37/718/2016-17 **March 03, 2017**

The Company Secretary
RELIANCE COMMUNICATIONS LIMITED
H Block, Dhirubhai Ambani Knowledge City,
1st Floor ,Navi Mumbai - 400710, Maharashtra

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Reliance Communications Ltd (RCL), Reliance Telecom Limited (RTL), Aircel Limited (AL), Dishnet Wireless Limited (DWL), Deccan Digital Networks Pvt. Limited (DDNPL) and South Asia Communications Pvt. Ltd. (SACPL)

We are in receipt of Draft Scheme of Arrangement between Reliance Communications Ltd (RCL), Reliance Telecom Limited (RTL), Aircel Limited (AL), Dishnet Wireless Limited (DWL), Deccan Digital Networks Pvt. Limited (DDNPL) and South Asia Communications Pvt. Ltd. (SACPL) and their shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated March 03, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

S&P BSE SENSEX
BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

Reliance Communications Limited **PROXY FORM**

CIN - L45309MH2004PLC147531

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710
Tel - 022-30386286, Fax no - 022-30376622, Website: www.rcom.co.in

Before the National Company Law Tribunal, Mumbai Bench

Company Scheme Application No. 264 of 2017

In the matter of the Companies Act, 2013; (18 of 2013)

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956

AND

In the matter of Composite Scheme of Arrangement between Reliance Communications Limited ("the Demerged Company 1") and Reliance Telecom Limited ("the Demerged Company 2") and Aircel Limited ("Resulting Company 1" or "Transferee Company") and Dishnet Wireless Limited ("Resulting Company 2") and Deccan Digital Networks Private Limited ("the Transferor Company 1") and South Asia Communications Private Limited ("the Transferor Company 2") and their respective Shareholders and Creditors

RELIANCE COMMUNICATIONS LIMITED, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.)
)
).....Applicant Company

Name of the member(s)	:
Registered address	:
E-mail ID	:
Folio No. /DP ID & Client ID*	:
No. of shares held	:

* Applicable in case shares are held in electronic form.

I/We, being the member(s) of [_____] equity shares of the **RELIANCE COMMUNICATIONS LIMITED**, hereby appoint

1. Name : _____ Email – ID : _____
   Address : _____
   Signature : _____, or failing him
2. Name : _____ Email – ID : _____
   Address : _____
   Signature : _____, or failing him
1. Name : _____ Email – ID : _____
   Address : _____
   Signature : _____

as my / our proxy, to act for me/ us at the National Company Law Tribunal convened Meeting of the Equity Shareholders to be held on April 24, 2017 at 9.30 A.M. IST at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opp. SEEPZ, North Gate No.3. Aarey Colony, Aarey Colony Road, Mumbai - 400065, for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement between Reliance Communications Limited and Reliance Telecom Limited and Aircel Limited and Dishnet Wireless Limited and Deccan Digital Networks Private Limited and South Asia Communications Private Limited and their respective shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s).....(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)*, as my/our proxy may approve.

*strike out whatever is not applicable

Please affix Revenue Stamp

Signed this ___ day of _____ 2017

_____ _____

Signature of Shareholder(s) Signature of Proxy Holder(s)

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the Proxy later in time shall be accepted.
5. Proxy need not be shareholder of the Company.

This page is intentionally kept blank

Communications

Reliance Communications Limited

CIN - L45309MH2004PLC147531

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710
Tel - 022-30386286, Fax no - 022-30376622, Website: www.rcom.co.in

ATTENDENCE SLIP

TRIBUNAL CONVENED MEETING ON APRIL 24, 2017 AT 9.30 A.M. IST

Folio No. / DP ID & Client ID*	
No. of shares held	

* Applicable in case shares are held in electronic form.

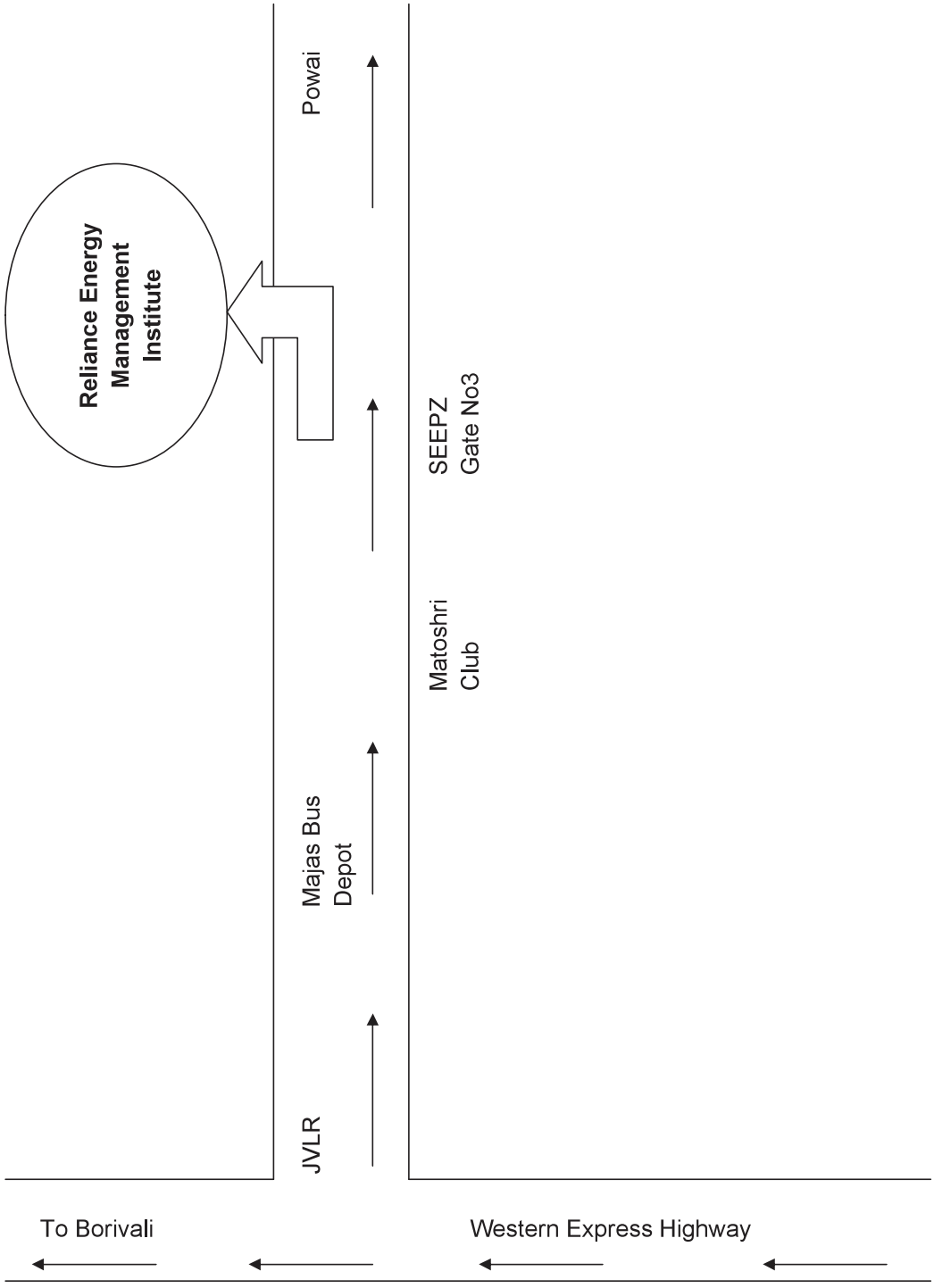
I/ We certify that I/ We am/ are registered shareholder/ proxy for the registered shareholder of the Company.

I/ We hereby record my presence at the **TRIBUNAL CONVENED MEETING** of the Equity Shareholders of the Company held on April 24, 2017 at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400065 at 9.30 A.M. IST.

Shareholder's / Proxy's name in **BLOCK** letters

Signature of Shareholder /Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting

Map of the Venue of the Meeting

Reliance Energy Management Institute,
Jogeshwari-Vikhroli Link Road, Opposite SEEPZ North Gate No. 3,
Aarey Colony, Aarey Colony Road, Mumbai 400 065