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

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February 9, 2016

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
Fax No.: 2272 2037/39/41/61/3121/3719

BSE Scrip Code: 532712

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, C/1, Block G
Bandra - Kurla Complex,
Bandra (East)
Mumbai 400 051
Fax No.: 2659 8237 / 38/ 8347/8348/
66418124/ 25/ 26
NSE Symbol: RCOM

Dear Sir,

Sub: Court Convened Meeting on March 8, 2016.

In continuation of our letter dated November 2, 2015, we wish to inform you that a Court Convened Meeting of the Shareholders of the Company is scheduled to be held on Tuesday, March 8, 2016 at Reliance Energy Management Institute, Jogeshwari- Vikhroli Link Road, Opposite SEEPZ North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai – 400 065, for consideration of the proposed Scheme of Arrangement of Sistema Shyam TeleServices Limited with the Company and their respective Shareholders and Creditors.

Further, the Company has provided e-voting facility to the members of the Company. The remote e-voting will commence from 9.00 a.m. on March 5, 2016 and end on 5.00 p.m. on March 7, 2016.

We are enclosing herewith copy of the Notice of the Court Convened Meeting and Voting through e-voting instruction slip as required.

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

Thanking you.

Yours faithfully,
For Reliance Communications Limited

Prakash Shenoy
Company Secretary

Encl. As above.

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 COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day	:	Tuesday
Date	:	8th March, 2016
Time	:	11.00 A.M.
Venue	:	Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO 106 OF 2016

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

Sistema Shyam TeleServices Limited ("SSTL" or "Transferor Company")

AND

Reliance Communications Limited ("RCOM" or "Transferee Company")

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 the Applicant Company

To,

The Equity Shareholder(s) of Reliance Communications Limited ("Transferee Company" or "Applicant Company")

TAKE NOTICE that by an Order made on 5th February, 2016, in the above mentioned Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065 on Tuesday, 8th March, 2016 at 11:00 A.M., to transact the following Special Business:

To consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 391 to 394 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) for approval of the proposed Scheme of Arrangement of Sistema Shyam TeleServices Limited ("Transferor Company") with Reliance Communications Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme"):

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Judicature of Rajasthan at Jaipur Bench, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Judicature of Rajasthan at Jaipur Bench or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed in the matter of Scheme of Arrangement between Sistema Shyam TeleServices Limited and Reliance Communications Limited and their respective shareholders and creditors placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Judicature of Rajasthan at Jaipur Bench 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."

TAKE FURTHER NOTICE THAT in pursuance of the said Order, a meeting of the equity shareholders of the Transferee Company will be held at **Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065 on Tuesday, 8th March, 2016 at 11.00 A.M.** at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting 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 Transferee Company at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, not later than 48 hours before the scheduled time of the commencement of the said meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. R.N. Bhardwaj, Director of the Applicant Company, and failing him, Mr. A.K. Purwar, Director of the Applicant Company and failing him, Prof. J. Ramachandran, Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme, the explanatory statement under Section 393 of the Companies Act, 1956, Complaints Report, Observation Letters issued by National Stock Exchange of India Limited and BSE Limited, Fairness Opinion, Proxy Form and the Attendance Slip are enclosed herewith.

sd/-
R.N. Bhardwaj
Chairman appointed for the meeting

Place : Mumbai
Date : February 05, 2016

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

Notes:

(1) All alterations made in the form of proxy should be initialed.

(2) Only registered equity shareholders of the Transferee 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 shareholders' meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Transferee Company may attend and vote at the equity shareholders' 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 Transferee Company not later than 48 hours before the scheduled time of the commencement of the meeting authorising such representative to attend and vote at the equity shareholders' meeting.

(3) Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Transferee 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 Transferee Company not later than 48 hours before the meeting.

(4) 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 Transferee Company in respect of such joint holding will be entitled to vote.

(5) **A registered equity shareholder of the Transferee 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 Transferee 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.**

(6) Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Applicant Company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.

(7) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')(erstwhile Clause 35B of the Listing Agreement), the Transferee Company has provided the facility to Members to exercise their votes on resolution through e-voting facility arranged by M/s. Karvy Computershare Private Limited (Karvy)and the business contained in the notice may be transacted through such voting. Instructions for e-voting are given in the e-voting instruction slip.

Notes for e-voting:

(8) The e-voting period commences on 5th March, 2016 (9.00 A.M. IST) and ends on 7th March, 2016 (5.00 P.M. IST).During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which shall be 1st March 2016 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.

(9) For the purpose of dispatch of this Notice, Shareholders of the Company holding shares either in physical form or in dematerialised form as on 29th January, 2016, have been considered.

(10) Members who have acquired shares after the dispatch of this Notice and before the cut-off date (i.e. 1st March, 2016) may approach the Company/Karvy for issuance of the User ID and Password exercising their right to vote by electronic means.

(11) Voting rights of each member shall be reckoned as on the cut-off date which is 1st March, 2016 and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.

(12) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Transferee Company as on cut off date. 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 remote e-voting as well as voting at the meeting through ballot paper. Any person who acquires shares of the Transferee Company and becomes the member of the Transferee Company after the cut-off date i.e. 1st March, 2016 shall not be eligible to vote either through e-voting or at Court Convened Meeting.

(13) Members can opt for only one mode of voting, i.e. either through ballot papers at Court Convened Meeting or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through ballot papers at Court Convened Meeting shall be treated as invalid.

(14) Members who have cast their vote by remote e-voting prior to the Court Convened Meeting may also attend the meeting but shall not be entitled to cast their vote again.

(15) Shri Anil Lohia and in his absence Shri Rinkit Kiran Uchat, Partner of M/s. Dayal & Lohia, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(16) The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than two days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

(17) The results declared along with the Scrutinizer's Report 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 Court Convened Meeting (CCM) on 8th March 2016 and communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO 106 OF 2016

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

Sistema Shyam TeleServices Limited ("SSTL" or "Transferor Company")

AND

Reliance Communications Limited ("RCOM" or "Transferee Company")

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 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 for the court convened meeting of the equity shareholders of Reliance Communications Limited

1. Pursuant to an Order dated 5th day of February, 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction No. 106 of 2016 referred to hereinabove, a meeting of the Equity Shareholders of the Applicant Company is being convened and held on Tuesday, 8th day of March, 2016 at 11.00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Sistema Shyam TeleServices Limited ("the Transferor Company") and Reliance Communications Limited ("the Transferee Company") and their respective shareholders and creditors ("Scheme" or "the Scheme").

2. In this Statement, Reliance Communications Limited is hereinafter referred to as "the Company" or "the Applicant Company" or "RCOM" and Sistema Shyam TeleServices Limited as "SSTL". The other definitions contained in the Scheme will apply to this Explanatory Statement also.

3. The proposed Scheme provides for the demerger and vesting of the Transferred Undertaking (as defined in Clause 1.1 of the Scheme) of SSTL into RCOM pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (the Act).

4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, has been approved by Board of Directors of the Applicant Company at its meeting held on 2nd November 2015 is attached to this explanatory statement and forms part of this statement.

5. **Background of the Companies:**

   5.1 **Reliance Communications Limited ("RCOM" or "the Transferee Company")**

   (a) RCOM was incorporated under the provisions of the Companies Act, 1956 in Mumbai, the State of Maharashtra on 15th day of July, 2004 under the name "Reliance Infrastructure Developers Private Limited". With effect from 25th day of July, 2005, RCOM was converted into a public limited company and the word "Private" was deleted from the name of RCOM. 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. The registered office of RCOM is at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.

(b) The authorised, issued, subscribed and paid-up share capital of RCOM as on March 31, 2015 is as under:

Particulars	Amount in Crore
Authorised Capital	
5,000,000,000 Equity Shares of Rs.5 each	2,500.00
Total	**2,500.00**
Issued, Subscribed and Paid-up Capital	
2,488,979,745 Equity Shares of Rs.5 each fully paid up	1,244.49
Total	**1,244.49**

Subsequent to March 31, 2015, there has been no change in the issued, subscribed and paid up share capital of RCOM.

(c) The equity shares of RCOM are listed on the National Stock Exchange of India Limited and BSE Limited (together called as the **"Stock Exchanges"**).

(d) The objects for which RCOM has been established are set out in its Memorandum of Association. The main objects of Transferee Company 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."

(e) 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.

5.2 Sistema Shyam TeleServices Limited ("SSTL" or "the Transferor Company")

(a) SSTL was incorporated under the provisions of the Companies Act, 1956 in New Delhi on 20th day of April, 1995 under the name "Telelink Network (India) Limited". With effect from 3rd day of April, 1998, the name of SSTL was changed to "Shyam Telelink Limited". Subsequently on 26th day of August, 2002 the registered office of SSTL was shifted from the NCT of Delhi to the state of Rajasthan in Jaipur. Further, the name of SSTL was changed to its

present name i.e. "Sistema Shyam TeleServices Limited" with effect from 22nd day of January, 2009. The registered office of SSTL is situated at MTS TOWER, 3, Amrapali Circle, Vaishali Nagar, Jaipur 302 021, Rajasthan.

(b) The authorised, issued, subscribed and paid-up share capital of SSTL as on March 31, 2015 is as under:

Particulars	Amount in Crore
Authorised Capital	
19,000,000,000 equity shares of Rs.10 each	19,000.00
6,000,000,000 preference shares of Rs.10 each	6,000.00
Total	**25,000.00**
Issued, Subscribed and Paid-up	
3,193,920,000 equity shares of Rs.10 each	3,193.92
9,864,470, 0.01% Redeemable Non-convertible Non-Cumulative preference shares of Rs.10 each	9.86
Total	**3,203.78**

Subsequent to March 31, 2015 the issued, subscribed and paid up share capital of SSTL has changed as under:

Particulars	Amount in Crore
Authorised Capital	
19,000,000,000 equity shares of Rs.10 each	19,000.00
6,000,000,000 preference shares of Rs.10 each	6,000.00
Total	**25,000.00**
Issued, Subscribed and Paid-up	
3,193,920,000 equity shares of Rs.10 each	3,193.92
1,20,56,470, 0.01% Redeemable Non-convertible Non-Cumulative preference shares of Rs.10 each	12.06
Total	**3,205.98**

(c) The equity shares of SSTL are not listed on any Stock Exchange in India.

(d) The objects for which SSTL has been established are set out in its Memorandum of Association. The main objects of Transferor Company are set out hereunder:

"1. To carry on the business in India and abroad, of rendering all kinds of services including Basic Telephony Services, Cellular Mobile Telephone Services, paging services, trunked, Radio System, Cordless Telephony Service and consultancy, VSAT services or any kind of Value Added Services connected with Telecom or Distribution/Production/Broadcast of information in any form whether voice, date, fax or audio visuals including Television, Radio etc., Cable Television distribution, Software programming and television Channel management services, production of television programs, running of studios and of trading, export, import, manufacturing, buying, selling of and otherwise dealing in finished, by-products, semifinished, raw material of components and equipments, related or connected in whatever way with any communication or alike industry, by itself or in conjunction, with any Company Body Corporate, Person, Statutory Corporation, Govt. and to combine with it/them any business or arrangements by way upwards, downwards or horizontal integration for the purpose of absolute or relative expansion and diversification and to act as stockist, whole seller, retailer, dealer, distributor, principal agent, trader, marketing agent, commission agent, clearing and forwarding agent, contractor, tenderer and liaison or order procurement agent in respect of any of or all such products, goods or services.

2. To carry on in India and abroad any activity incidental to the above including in the nature of the business of manufacturing, processing, designing, assembling, developing, fabricating, improving, importing, exporting, distributing, buying, selling and dealing in telecom equipments, components, parts, sub-assembly and the like.

3. To design, manufacture, import, export, utilize, sell, distribute and deal in machinery moulds and dyes for the production of all telecommunication products which may be used in providing all kinds of telecommunication or other related services and can offer technical consultancy services in the telecommunication/Electronic Industries and to those intending to manufacture the machinery and equipment / components of the type manufactured by company for its business.

4. *To carry on the business activities and operations in India & abroad of rendering all kind of services as National Long Distance Operator, International Long Distance Operator and to buy, import, take on lease/ hire, design, develop, install, establish, maintain all necessary infrastructure and to take all related/allied business, operations and services required for the operations of aforesaid services, and to obtain all licenses required for these services/operations and also to comply with the clauses of all the UASL, NLD/ILD and other Telecom Licenses issued to the Company."*

(e) SSTL is engaged in the business of telecom services (under the brand MTS) and is one of the telecom service providers in India.

6. The Proposed Scheme was placed before the Board of Directors of the Company on November 2, 2015 wherein the Report on Share Exchange Ratio issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer, and Fairness Opinion on the said Share Exchange Ratio issued by M/s. Keynote Corporate Services Limited, were also placed before the Board.

7. **Rationale of the Scheme**

The demerger and vesting of the Transferred Undertaking (as defined in Clause 1.1 of the Scheme) of the Transferor Company to Transferee Company pursuant to the Scheme shall, inter alia, result in following benefits:

(i) In case of the Transferor Company:

(a) helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo as well as creation of value for the shareholders of the Transferor Company; and

(b) consolidate the telecom wireless business of Transferor Company with Transferee Company and provide an opportunity to the Transferor Company to acquire equity interest in the Transferee Company;

(ii) In case of the Transferee Company:

(a) further expanding into the growing markets of India;

(b) creating value for shareholders by acquiring ready-to-use infrastructure;

(c) availability of increased resources and assets which can be utilised for strengthening customer base and servicing existing as well as new customers innovatively and efficiently;

(d) strong infrastructural capability to effectively meet future challenges in the ever-evolving telecom business;

(e) strategic fit for serving existing market and also to cater additional volume linked to new consumers;

(f) synergies in operational process and logistics alignment leading to economies of scale and creation of efficiencies by reducing time to market and benefitting customers as well as resulting in optimization of operation and capital expenditure;

(g) helping the Transferee Company in strengthening the assets base while also enhancing financial flexibility; and

(h) leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of both the companies thereby significantly contributing to future growth and maximizing shareholders value.

8. **Salient features of the Scheme are set out as below:**

(a) The Scheme provides for the demerger, transfer and vesting of the Transferred Undertaking (as defined in Clause 1.1 of the Scheme) from the Transferor Company to the Transferee Company on a going concern basis, and the consequent issue of its shares by the Transferee Company to the Transferor Company, in accordance with the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and rules made thereunder, SEBI Listing Regulations, Foreign Exchange Management Act, 1999 and such other approvals / permissions, as may be required under applicable law, regulations, listing agreements and guidelines issued by the regulatory authorities.

(b) "Appointed Date" for the Scheme is the Effective Date.

(c) "Effective Date" means the opening business hours of the 7th Business day from last of the dates on which the conditions specified in Clause 18 (Conditions Precedent) of the Scheme are complied with.

(d) With effect from the Appointed Date, the Transferred Undertaking (as defined in Clause 1.1 of the Scheme) shall, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and all other provisions of the Act and without any further act, deed, matter or thing be transferred and vested from the Transferor Company and stand transferred to and vested in or shall be deemed to be transferred to and vested in the Transferee Company, on a going concern basis, such that the Transferred Undertaking 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 Transferee Company simply by virtue of approval of the Scheme and in the manner provided in the Scheme.

(e) With effect from Effective Date, the Transferee Company shall employ all Transferring Employees on such terms and conditions which on a cost-to-company basis is no less favorable to the Transferring Employees than in respect of their employment with the Transferor Company.

(f) Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Transferred Undertaking in the Transferee Company pursuant to provisions of this Scheme and applicable law, the Transferee Company shall (i) issue and allot to the Transferor Company, in accordance with the terms of the Scheme and without any further application, act, deed, payment, consent, acts or instrument 276,553,305 (Two Hundred Seventy Six Million Five Hundred Fifty Three Thousand Three Hundred Five Only) fully paid up equity share of INR 5 (Indian Rupees Five only) each of Transferee Company ("New Equity Shares"), aggregating to 10% (ten per cent) of the total issued and fully paid up share capital of the Transferee Company, on a fully diluted basis, as on date of Merger Agreement, free and clear of all Encumbrances, together with all rights, title, interests and benefits now; and (ii) undertake to perform its obligation under the Earn Out Deed.

(g) The New Equity Shares issued and allotted in terms of Clause 9.1 of the Scheme, in compliance with the applicable regulations, shall be listed and / or admitted for trading on the Stock Exchanges. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange(s).

(h) The Transferee Company shall apply for listing of the equity shares issued in terms of Clause 9.1 of the Scheme on the Stock Exchanges in terms of the Listing Agreement or the SEBI Listing Regulations, as the case may be, upon the receipt of the order of the High Courts and in compliance of the SEBI Listing Regulations.

(i) Immediately upon issue, allotment and listing of New Equity Shares, the Transferor Company shall have an option to exchange the New Equity Shares held by it with its Swap Shareholders in the ratio provided hereinafter, in lieu of the shares of the Swap Shareholders held in the Transferor Company getting cancelled, as a result of which certain reduction of share capital of the Transferor Company will take place. The board of the Transferor Company has approved that the Swap Shareholders will have an option to swap or exchange their shares in the Transferor Company for New Equity Shares held by the Transferor Company in the ratio of 11.5:1, i.e. for every 11.5 equity shares of Transferor Company held by a Swap Shareholder, the Swap Shareholder will be entitled to get from the Transferor Company one New Equity Share. Such swap or exchange is not mandatory, but can be exercised at the option of each of the Swap Shareholders at any time within three months of the issuance, allotment and listing of the New Equity Shares on the Stock Exchanges in accordance with the process as notified by the Transferor Company to the Swap Shareholders. The Transferee Company shall, as per applicable law, record in the register of its members the transfer of shares pursuant to the aforesaid swap or exchange.

(j) This Scheme is and shall be conditional upon and subject to:

(i) The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company as required under Section 391 of the Companies Act, 1956 and other applicable provisions of the Act;

(ii) Transferee Company having received, in-principle approval of the BSE and NSE for the issuance of the New Equity Shares in accordance with the Scheme and any other applicable provisions, if any, of Listing Agreement;

(iii) Grant of approval by the Competition Commission of India for the relevant transactions under this Scheme for which such approval is required under the provisions of the Competition Commission of India Act, 2002 in a form and substance satisfactory (including any condition contained in such approval required to be met prior to Completion taking place) to the Transferee Company and Transferor Company (each acting reasonably), and any conditions contained in such approval required taking place, or such approval being deemed pursuant to the provisions of the Competition Commission of India Act, 2002;

(iv) receipt of written approval from the DoT, either unconditionally or in a form and substance satisfactory to the Transferor Company and Transferee Company (each acting reasonably) with respect to the transactions envisaged under this Scheme and any conditions contained in such approval required to be met taking place whether through the action of the Transferee Company or the Transferor Company;

(v) The sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Companies Act, 1956, being obtained by the Transferor Company and the Transferee Company;

(vi) The Parties complying with other provisions of the SEBI Listing Regulations and Listing Agreement (including SEBI Circulars);

(vii) Requisite approval / no objection certificates being obtained by the Transferee Company and the Transferor Company, from the appropriate statutory or regulatory authority(ies) other than as mentioned above in this Clause, as required under applicable law for the completion of the transactions contemplated in this Scheme;

(viii) Certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the relevant Registrar of Companies having jurisdiction as prescribed under the applicable laws;

(ix) in respect of Global Cloud Xchange:

(a) receipt by the Transferee Company of the approval of the US Federal Communications Commission either unconditionally or in a form and substance satisfactory to the Transferee Company (acting reasonably), with respect to the Demerger;

(b) receipt by the Transferee Company of the approval of the Infocomm Development Authority of Singapore either unconditionally or in form and substance satisfactory to the Transferee Company (acting reasonably), with respect to the Demerger; and

(c) the period of time for any applicable review process by the Committee on Foreign Investment in the United States ("CFIUS") pursuant to 50 U.S.C. App. § 2170 relating to the determination of any threat to national security in respect of the Demerger having expired, and CFIUS not having taken any action or made any recommendation to block or prevent consummation of the Demerger within that period;

(x) there having been no Transferor Company Material Adverse Change;

(xi) there having been no Transferee Company Material Adverse Change;

(xii) the Transferor Company having obtained the "Consent and no objection certificate" from the concerned Assessing Officer of Income Tax, pursuant to Section 281 of the (Indian) Income-tax Act, 1961, for transfer of the Transferred Undertaking, as contemplated in this Scheme;

(xiii) there being no change in the applicable law (including any change in interpretation of applicable law by relevant government entity) during the period between the date of the Merger Agreement and Effective Date which prohibits or makes unlawful, the performance of any of the transactions contemplated in the Scheme.

(xiv) The effectiveness of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by Transferor Company and the Transferee Company of the Conditions Precedent, at or prior to the Effective Date.

(xv) It is hereby clarified that submission of the Scheme to the High Courts and to appropriate authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferee Company may have under or pursuant to all appropriate and applicable law.

(xvi) On the approval of this Scheme by the shareholders and the creditors (where applicable) of the Transferor Company and the Transferee Company, 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 arrangement set out in this Scheme, related matters and this Scheme itself.

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.

9. **Board meeting, Valuation Report and Fairness opinion**

In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 (SEBI Circular)(erstwhile Circulars bearing Nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013), the Audit Committee of the Company ("Audit Committee") vide a resolution passed on 2nd November, 2015, recommended the Scheme to the Board of Directors of the Transferee Company inter-alia taking into account;

(a) The Report on Share Exchange Ratio issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer for issue of shares pursuant to the Scheme;

(b) The Fairness Opinion issued by M/s. Keynote Corporate Services Limited on the fairness of the Valuation Report;

(c) Statutory Auditors certificate dated 2nd November, 2015 issued by M/s. Chaturvedi & Shah, Statutory Auditors of the Transferee Company, in relation to the accounting treatment prescribed in the Scheme.

10. **Approvals**

(a) The Company has received, in terms of Regulation 37 of SEBI Listing Regulations (erstwhile Clause 24(f) of the Listing Agreement), Observation Letter dated 13th January, 2016 from the National Stock Exchange of India Limited and BSE Limited respectively. A copy of the Observation Letters are enclosed as Annexures to this Notice.

(b) As required under the SEBI circular, the Applicant Company has filed the Complaints Report with BSE Limited and the National Stock Exchange of India Limited on 14th December, 2015 and 11th December, 2015 respectively. After filing of the Complaint Reports, the Applicant Company has not received any complaint. A copy of the Complaints Report is enclosed as Annexures to this Notice.

11. The details of the present directors and Key Managerial Personnel (KMP) of Transferee Company and their respective shareholdings in Transferor Company and Transferee Company are as follows:

Sr. No.	Name	Shares held in Transferor Company	Shares held in Transferee Company
	Directors		
1	Mr. Anil D. Ambani	-	18,59,171
2	Prof. J. Ramachandran	-	-
3	Mr. A. K. Purwar	-	-
4	Mr. Deepak Shourie	-	-
5	Mr. R. N. Bhardwaj	-	-
6	Mrs. Manjari Kacker	-	-
	KMP		
1	Mr. Prakash Shenoy	-	-
2	Mr. Manikantan V.	-	-
3	Mr. Vinod Sawhny	-	-

12. The details of the present directors and Key Managerial Personnel of Transferor Company and their respective shareholdings in Transferor Company and Transferee Company are as follows:

Sr. No.	Name	Shares held in Transferor Company	Shares held in Transferee Company
	Directors		
1.	Mr. Alexander Gorbunov	-	-
2.	Mr. Sergey Savchenko	-	-
3.	Mr. Vsevolod Rozanov	-	-
4.	Mr. Igor Kozlov	-	-
5.	Mr. Andrey Terebenin	-	-
6.	Mr. Andrey Smelkov	-	-
7.	Mr. Mikhail Akhripov	-	-
8.	Mr. Rajiv Mehrotra	15,51,396	-
9.	Mr. Alok Tandon	5,18,164	-
10.	Mr. Ajay Khanna	1,34,288	-
11.	Mrs. Neera Sharma	-	-
12.	Mr. Suman Sehgal	-	-
13.	Mr. Bharat V.Patel	-	-
14.	Mr. Vikram Kaushik	-	-
15.	Mr. Ram Krishna Agrawal	-	-
	KMP		
1.	Mr. Sergey Savchenko	-	-
2.	Mrs. Neera Sharma	-	-
3.	Mr. Ilya Kosolapov	-	-
4.	Mr. Vishal Kohli	-	-

13. The directors of the Transferor Company and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies.

14. The pre and post (expected) Scheme equity shareholding pattern of Transferee Company as on December 31, 2015 and Pre equity shareholding pattern of Transferor Company as on January 31, 2016 is as follows:

Sr. No.	Description	Pre-merger shareholding of Transferee Company (RCOM)		Expected Post-merger shareholding of Transferee Company (RCOM)		Transferor Company (SSTL) Pre-Arrangement	
		Number of shares	% (A+B+C+D)	Number of shares	% (A+B+C+D)	Number of shares	% (A+B+C+D)
(A)	**Promoter and promoter group**						
A(1)	**Indian**						
(a)	Individuals / Hindu Undivided Family	98,45,709	0.40	98,45,709	0.36	28,61,014	0.09
(b)	Any other - Bodies Corporate	145,48,51,135	58.45	145,48,51,135	52.61	72,33,52,362	22.65
	Sub-Total A(1):	**146,46,96,844**	**58.85**	**146,46,96,844**	**52.97**	**72,62,13,376**	**22.74**
A(2)	**Foreign**						
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	0	0.00	0	0.00		
(b)	Bodies Corporate	0	0.00	0	0.00	1,81,02,89,400	56.68
	Sub-Total A(2) :	**0**	**0.00**	**0**	**0.00**	**1,81,02,89,400**	**56.68**
	Total A=A(1)+A(2)	**146,46,96,844**	**58.85**	**146,46,96,844**	**52.97**	**2,53,65,02,776**	**79.42**
(B)	**Public Shareholding**						
B(1)	**Institutions**						
(a)	Mutual Funds/UTI	2,42,70,328	0.98	2,42,70,328	0.88	23,026	0.00
(b)	Foreign Portfolio Investors / FIIs	52,67,63,519	21.16	52,67,63,519	19.05	3,802	0.00
(c)	Financial Institutions / Banks (including Foreign Banks)	54,33,225	0.22	54,33,225	0.20	28,623	0.00
(d)	Insurance Companies	17,62,68,422	7.08	17,62,68,422	6.37		
	Sub-Total B (1) :	**73,27,35,494**	**29.44**	**73,27,35,494**	**26.50**	**55,451**	**0.00**
B(2)	Central Government/ State Government(s)/ President of India	12,20,573	0.05	12,20,573	0.04	-	-
	Sub-Total B (2):	**12,20,573**	**0.05**	**12,20,573**	**0.04**	**-**	**-**
B(3)	**Non-Institutions**						
	Individual share capital upto Rs. 2 Lacs	18,79,12,594	7.55	18,79,12,594	6.80	-	-
	Individual share capital in excess of Rs. 2 Lacs	2,03,26,613	0.82	2,03,26,613	0.73	-	-
	Individual share capital upto Rs. 1 Lacs	19,73,36,951	7.93	19,73,36,951	7.14	2,19,77,976	0.69
	Individual share capital in excess of Rs. 1 Lacs	1,09,02,256	0.44	1,09,02,256	0.39	3,37,26,077	1.06
	Sub-Total B (3):	**20,82,39,207**	**8.37**	**20,82,39,207**	**7.53**	**5,57,04,053**	**1.75**
B(4)	**Any Other (specify)**						
	Overseas	-	-	-	-	-	-
	Domestic Bodies Corporate	3,97,65,070	1.60	3,97,65,070	1.44	5,00,42,368	1.57
	Non Resident Indians	-	-	-	-	-	-

Sr. No.	Description	Pre-merger shareholding of Transferee Company (RCOM)		Expected Post-merger shareholding of Transferee Company (RCOM)		Transferor Company (SSTL) Pre-Arrangement	
		Number of shares	% (A+B+C+D)	Number of shares	% (A+B+C+D)	Number of shares	% (A+B+C+D)
	Clearing member	-	-	-	-	10,798	0
	NRI	1,03,35,813	0.42	1,03,35,813	0.37	42,85,284	0.13
	OCB	1,29,991	0.01	1,29,991	0.00	4,764	0.00
	Trust	-	-	-	-	1,588	0.00
	SSTL (Person Acting in concert (PAC))	-	-	27,65,53,305	10.00	-	-
	Sub-Total B(4) :	**5,02,30,874**	**2.02**	**32,67,84,179**	**11.81**	**5,43,44,802**	**1.70**
	Total B=B(1)+B(2)+ B(3) + B(4) :	**99,24,26,148**	**39.88**	**126,89,79,453**	**45.88**	**11,01,04,306**	**3.45**
	Total (A+B) :	**245,71,22,992**	**98.73**	**273,36,76,297**	**98.85**	**2,64,66,07,082**	**82.87**
(C)	**Non Promoter-Non Public**						
C(1)	**Shares underlying DRs**	105,77,753	0.42	1,05,77,753	0.38	-	-
C(2)	Shares held by Employee Trust	2,12,79,000	0.85	2,12,79,000	0.77	-	-
	Total C= C(1) + C(2) :	**3,18,56,753**	**1.27**	**3,18,56,753**	**1.15**	**-**	**-**
(D)	**Foreign Government**	0	0.00	0	0.00		
	Federal agency of State Property Management of Russian Federation	0	0.00	0	0.00	54,73,12,918	17.13
	Grand Total (A+B+C+D):	**248,89,79,745**	**100.00**	**276,55,33,050**	**100.00**	**3,19,39,20,000**	**100.00**

15. The pre shareholding pattern (preference shares) of the Transferor Company as on January 31, 2016 is as follows:

Shareholder Name	No. of shares	Amount (Rs)	% of Holding
INSITEL Services Private Limited	1,20,56,470	12,05,64,700	100%
TOTAL	1,20,56,470	12,05,64,700	100%

16. Capital structure of RCOM - Pre and post arrangement

a) Pre and Post Arrangement capital structure of RCOM is as follows:

	Pre-Arrangement as on December 31, 2015		Post- Arrangement	
Authorised Share Capital:	**No. of Shares**	**Amount in Rs. Crore**	**No. of Shares**	**Amount in Rs. Crore**
Equity Shares of Rs.5 each	500,00,00,000	2,500.00	500,00,00,000	2,500.00
Issued, Subscribed & Paid Up Share Capital:				
Equity Shares of Rs.5 each fully paid up	248,89,79,745	1,244.49	276,55,33,050	1,382.76

b) Pre-Arrangement capital structure of Transferor Company is mentioned in paragraph 5.2 (b) above.

17. The rights and interests of the Equity or Preference Shareholders, Secured or Unsecured Creditors of the Transferor Company and the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.

18. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 and Section 210 of the Companies Act, 2013, against the Transferee Company.

19. In case the Scheme is not effective on or before 30th June 2016 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective board of directors or its authorised 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.

20. This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013.

21. On the Scheme being approved by the requisite majority of the Shareholders, the Transferee Company shall file a petition with the Hon'ble High Court of Judicature at Bombay for sanction of the Scheme under Sections 391-394 and other applicable provisions of the Act.

22. The following documents will be open for inspection by the equity shareholders of the Transferee Company 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 5th February, 2016 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 106 of 2016 directing the convening of the meeting of the Equity Shareholders of Transferee Company;

    (ii) Copy of the Company Summons for Directions No.106 of 2016;

    (iii) Scheme of Arrangement;

    (iv) Memorandum and Articles of Association of Transferor Company and Transferee Company;

    (v) Annual Report of Transferor Company and Transferee Company for the financial year ended March 31, 2015;

    (vi) Copy of the report on the Share Entitlement Ratio dated 2nd November, 2015 issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, an independent valuer;

    (vii) Copy of the Fairness Opinion dated 2nd November, 2015 issued by M/s. Keynote Corporate Services Limited;

    (viii) Copy of the Complaints Report submitted to National Stock Exchange of India Limited on 11th December, 2015 and BSE Limited on 14th December, 2015 and also uploaded on Transferee Company's website;

    (ix) Copy of Observation letters dated 13th January, 2016 received from National Stock Exchange of India Limited and BSE Limited;

    (x) Register of Director's Shareholdings of Transferee Company.

23. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Transferee Company or/ and at the office of the advocate situated at M/s. Rajesh Shah & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001.

sd/-
R.N. Bhardwaj
Chairman appointed for the meeting

Place : Mumbai
Date : February 05, 2016

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

SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

BETWEEN

SISTEMA SHYAM TELESERVICES LIMITED

(TRANSFEROR COMPANY)

AND

RELIANCE COMMUNICATIONS LIMITED

(TRANSFEREE COMPANY)

AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. Preamble

This Scheme provides for the demerger and vesting of the Transferred Undertaking of Sistema Shyam Teleservices Limited, the Transferor Company, unto Reliance Communications Limited, the Transferee Company, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("**Demerger**").

B. Background of the companies

(i) Sistema Shyam Teleservices Limited, the Transferor Company, is a public company incorporated under the Companies Act 1956 under the corporate identity number U64201RJ1995PLC017779. The registered office of the Transferor Company is situated at MTS Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021, Rajasthan, India. The Transferor Company is engaged, *inter alia*, in the business of telecom services (under the brand MTS) and is one of the telecom service providers in the country.

(ii) Reliance Communications Limited, the Transferee Company, is a public listed company incorporated under the Companies Act 1956 under the corporate identity number L45309MH2004PLC147531. The registered office of the Transferee Company is situated at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India. The Transferee Company is engaged, inter alia, 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.

C. Rationale for the Scheme

The demerger and vesting of the Transferred Undertaking of the Transferor Company to Transferee Company pursuant to this Scheme shall, inter alia, result in following benefits:

(i) In case of the Transferor Company:

(a) helping the Transferor Company in deleveraging its balance sheet, including reduction of debt and interest outgo as well as creation of value for the shareholders of the Transferor Company; and

(b) consolidate the telecom wireless business of Transferor Company with Transferee Company and provide an opportunity to the Transferor Company to acquire equity interest in the Transferee Company;

(ii) In case of the Transferee Company:

(a) further expanding into the growing markets of India;

(b) creating value for shareholders by acquiring ready-to-use infrastructure;

(c) availability of increased resources and assets which can be utilised for strengthening customer base and servicing existing as well as new customers innovatively and efficiently;

(d) strong infrastructural capability to effectively meet future challenges in the ever-evolving telecom business;

(e) strategic fit for serving existing market and also to cater additional volume linked to new consumers;

(f) synergies in operational process and logistics alignment leading to economies of scale and creation of efficiencies by reducing time to market and benefitting customers as well as resulting in optimization of operation and capital expenditure;

(g) helping the Transferee Company in strengthening the assets base while also enhancing financial flexibility; and

(h) leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of both the companies thereby significantly contributing to future growth and maximizing shareholders value.

D. Operation of the Scheme

(i) This Scheme provides for the demerger, transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company on a going concern basis, and the consequent issue of its shares by the Transferee Company to the Transferor Company, in accordance with the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, SEBI Listing Regulations, Foreign Exchange Management Act, 1999 and such other approvals / permissions, as may be required under applicable law, regulations, listing agreements and guidelines issued by the regulatory authorities.

(ii) The Transferor Company will continue to pursue its interests in the Remaining Business (as defined hereinafter) as is presently being carried out but with greater focus on growth opportunities in its field, subject to the regulatory requirements, risks, etc, specific to its Remaining Business (as defined hereinafter).

(iii) This Scheme also makes provisions for various other matters consequential or related hereto and otherwise integrally connected herewith.

E. Parts of the Scheme

This Scheme is divided into the following parts:

(i) **Part I** deals with the definitions of capitalized terms used in this Scheme and share capital of the Transferor Company and Transferee Company;

(ii) **Part II** deals with demerger, i.e. transfer and vesting of the Transferred Undertaking from the Transferor Company, consideration thereof and the manner of vesting of the Transferred Undertaking in the Transferee Company and matters incidental thereto; and

(iii) **Part III** deals with the other general terms and conditions that would be applicable to the Scheme.

Part I
Definitions and Share Capital

1. Definitions

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

"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 law, made thereunder from time to time;

"Action" means claims, actions, proceedings, damages, demands, judgments, sums payable, liabilities and losses;

"ADA Entities" means the entities mentioned in Schedule 1 of the Merger Agreement;

"Appointed Date" means the Effective Date;

"Business Day" a day (other than a Saturday or Sunday) on which banks are open for general business in Moscow, Jaipur, Gurgaon, or Mumbai;

"CENVAT Credit" the unutilized credit relating to excise duties and value added taxes paid on inputs/capital goods lying to the account of the Transferred Undertaking up to INR 5,81,4,000,000 (Indian Rupees Five Thousand Eight Hundred Fourteen million only);

"Contracts" means the contracts agreed between the Transferor Company and the Transferee Company to be the Category A Contracts, the Category B Contracts and the Category C Contracts and more particularly set out in Schedule 2A of the Merger Agreement;

"Costs" means costs, charges, tax, and expenses (including those suffered or incurred in establishing or enforcing a right to be indemnified under this Scheme);

"Demerger" means the same as defined in the Preamble of the Scheme;

"DoT" means the Department of Telecommunications, Ministry of Communications and Information Technology, Government of India;

"Earn Out Deed" means the deed entered into by the Transferor Company, the Transferee Company and STA Capital LLC dated 2 November 2015, whereby the Transferee Company on the terms and conditions stated therein has agreed to pay, an Indian rupee equivalent (on the date of the payment), up to USD 300,000,000 (US Dollars Three hundred million only) to the Transferor Company;

"Effective Date" means the opening business hours of the 7th Business day from last of the dates on which the conditions specified in Clause 18 (Conditions Precedent) of this Scheme are complied with. Reference in this Scheme or the Merger Agreement to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Completion Date"** shall mean the Effective Date;

. **"Employee"** any individual who is in the permanent employment (as defined in applicable laws of India) of the Transferor Company in connection with the Transferred Undertaking;

"Encumbrance" any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any other agreement or arrangement having a similar effect or any agreement to create any of the foregoing;

"Environmental Law" means all applicable laws, regulations, directives or other laws and all binding codes of practice and binding statutory guidance relating to the environment, pollution of the environment, human health or safety which is applicable to the Transferred Undertaking of the Transferor Company and the Transferee Company, its respective premises or its respective activities;

"Event" any change, event, circumstance, effect, occurrence or state of affairs or any combination of them (whether existing or occurring on or before the date of the Merger Agreement or arising or occurring afterwards);

"Excluded Assets" means any asset which is not an Identified Asset, including the items listed in Part 3 of Schedule 1;

"Excluded Employees" means all employees of Transferor Company other than the Transferring Employees;

"Excluded IPR" means IPR other than Transferring IPR;

"Excluded Liabilities" means

(a) any and all liabilities relating to the Excluded Assets, Excluded Employees and Excluded IPR; and

(b) any and all Actions or Costs arising, directly or indirectly, out of, or in respect of, or in connection with any liability or obligation of the Transferor Company, whether in relation to the Transferred Undertaking or otherwise, save for liabilities or obligations the Transferee Company has expressly agreed to assume in the Merger Agreement or in the Scheme including:

(i) any breach of Environmental Law prior to the Effective Date, including without limitation in relation to any claims or damages caused by mobile phone networks operated by the Transferred Undertaking prior to the Effective Date;

(ii) any liability for sites that have been exited by the Transferor Company prior to the Effective Date other than: (a) those exited at the request of the Transferee Company; and (b) those exited on account of non-receipt of consent of infrastructure provider for assignment of contracts to Transferee Company pursuant to this Scheme which are forming part of the Identified Liabilities;

(iii) any breach of customer verification guidelines by the Transferred Undertaking prior to the Effective Date; and/or any non-compliance of the license conditions and any further notifications issued by DOT and / or TRAI prior to Effective Date;

(iv) any demand or assertion by the DoT that additional or further payments need to be made in relation to contiguity or combined use in each of the nine circles of one or more of the 8 (eight) licences in respect of the period prior to the Effective Date;

(v) any liability relating to the licenses held by the Transferor Company and which were cancelled in terms of the order of the Supreme Court of India in 2012, save and except for such liabilities which are included as part of the Identified Liabilities;

(vi) trade and business creditors other than relating to the Transferred Undertaking;

(vii) any liabilities in respect of Contracts where the relevant Third Party Consent has not been obtained excluding IP Colo contracts;

(viii) any and all Actions or Costs arising out of any Tax related claim in relation to Transferred Undertaking for the period prior to the Effective Date;

(ix) any and all Actions and Costs arising out of any claim that relates to Tax and that concerns the Transferred Undertaking but not to the extent that the claim arises as a result of the carrying on by the Transferee Company of the Transferred Undertaking after the Effective Date;

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

"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, (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;

Listing Agreement" means the listing agreement executed by the Transferee Company with the Stock Exchanges on which its equity shares are listed;

"Merger Agreement" means the agreement entered between the Transferor Company, Transferee Company, Sistema JSFC and ADA Entities dated 2 November 2015;

"New Equity Shares" means the meaning ascribed to it under Clause 9.1;

"Remaining Business" means all the business, units, divisions, and their respective assets and liabilities including without any limitation, Excluded Assets, Excluded Employees, Excluded IPR, Excluded Liabilities and Excluded Litigation of the Transferor Company, other than those forming part of the Transferred Undertaking pursuant to this Scheme;

"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;

"SEBI Circulars" means the circulars issued by the SEBI being Circular CIR/CFD/DIL/5/2013 dated 4 February 2013 and Circular CIR/CFD/DIL/8/2013 dated 21 May 2013 and shall include any amendments thereof;

"SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent notified from time to time, any amendments thereof and shall include any guidelines, rules, circulars issued under such regulations from time to time;

"Sistema JSFC" means Sistema Joint Stock Financial Corporation, a company incorporated in the Russian Federation (registered number 1027700003891) and whose registered office is at 13 Mokhovaya Street, Moscow, 125 009, Russian Federation, the majority and controlling shareholder of the Transferor Company (which expression shall be deemed to include its successors and permitted assigns);

"Stock Exchanges" shall mean the BSE Limited and the National Stock Exchange of India Limited where the shares of the Transferee Company are listed;

"Swap Shareholders" shall mean the shareholders of the Transferor Company other than Sistema and Russian Federation;

"Taxation" or **"Tax"** shall mean 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 the Transferor Company or any other Person and all penalties, charges, costs and interest relating thereto;

"Third Party Consent" consent from any third party that is required for transfer of any of the Identified Assets (other than Contracts), Identified Liabilities or Contracts, to Transferee Company in accordance with the terms of this Scheme;

"Transferee Company Material Adverse Change" means either (i) a decrease in the closing price on any day of equity shares of Transferee Company below INR 37.63 (Rupees thirty seven and paise sixty three only) on the NSE or the BSE; or (ii) any Event which results in Transferee Company ceasing to own 80% (eighty percent) of the 850MHz spectrum that it owns at the date of the Merger Agreement provided that the disposal or transfer of such spectrum shall not be taken into account where Transferee Company still has the right to access or use such spectrum following such disposal or transfer;

"Transferee Company" or **"RCOM"** means Reliance Communications Limited, a public listed company incorporated under the Companies Act 1956 under the corporate identity number L45309MH2004PLC147531 and whose registered office is situated at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India;

"Transferor Company" or **"SSTL"** means Sistema Shyam Teleservices Limited, a company incorporated in under the Companies Act, 1956 under the corporate identity number U64201RJ1995PLC017779 and whose registered office is situated at MTS Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021, Rajasthan, India;

"Transferor Company Material Adverse Change" means either: (i) any Event that materially adversely affects the ability of the network that forms part of the Transferred Undertaking to operate in the manner that it is operated on the date of the Merger Agreement; or (ii) any Event that materially adversely affects the use, ownership or access, in the manner and to the extent available on the date of the Merger Agreement, to telecom spectrum that forms part of the Identified Assets;

"Transferred Undertaking" or **"SSTL Business"** means the telecom business undertaking of the Transferor Company on a going concern basis, consisting assets as set out in Part 1 of Schedule 1 **("Identified Assets" or "SSTL Assets")** and liabilities as set out in Part 2 of Schedule 1 **("Identified Liabilities" or "SSTL Liabilities")**;

It is clarified that Identified Assets and Identified Liabilities of the Transferred Undertaking shall include:

(a) the movable properties including plant and machinery, equipment, stocks and inventory, other movable properties, in possession or reversion, present of whatsoever nature belonging to the Transferor Company in relation to the Transferred Undertaking, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, settlements, rights, credits, titles, interests, benefits, advantages, other intangibles, industrial and other licenses, permits, authorizations, 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 counter parties, etc, all earnest monies and / or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the Transferred Undertaking and approvals of whatsoever nature and where-so-ever 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 in relation to the Transferred Undertaking as on the Appointed Date;

(b) without prejudice to the generality of the Clause (a) above, the assets of the Transferred Undertaking shall also include the following which relate to the Transferred Undertaking; all permits, licenses including Unified Access Service License **("UASL")** and Unified License issued by DoT, authorization and any other licenses, approvals, clearances, authorities, quotas, allocations granted to the Transferor Company, all municipal approvals, permission for establishing cellular towers (including cell site licences) or receiving stations or any broadband and / or approvals for bandwidth, authorizations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), powers of attorneys (given by, issued to or executed in favour of the Transferor Company), the concerned licensor and grantors of such approvals, clearances, permissions, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatsoever nature and howsoever named, patents, copyrights, designs permits powers of every kind, nature and description whatsoever, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys pertaining to the Identified Assets, if any; all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, prequalification, applications, bids, tenders, letters of intent, concessions, agreements, non-possessory contractual rights or any other contracts, development rights, CENVAT Credit, allocated deferred tax, including deferred sales tax, funds belonging to, proposed to be utilised by the Transferred Undertaking and arrangements and all other interest in connection with or relating to the Transferred Undertaking on the Appointed Date **("Licenses")**;

(c) The debts, obligations and liabilities of the Transferor Company in relation to the Transferred Undertaking comprising of, only those debts, duties, obligations and liabilities that are outstanding as on the Appointed Date and, (a) which arise out of the activities or operations of the Transferor Company appertaining to or relatable to the Transferred Undertaking and such other debts, liabilities, duties, and (b) obligations arising of contracts and/or agreements of the Transferor Company relating to the Transferred Undertaking, set out in Part 2 of Schedule 1; and

(d) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings & designs, manuals, data, catalogues, quotations, sales and advertising materials, lists and all details 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 Transferred Undertaking.

It is clarified that the Transferred Undertaking does not include the assets, liabilities and obligations forming part of the Remaining Business;

"Transferring Employee" any Employee who is to be offered employment by the Transferee Company as part of the transfer of the Transferred Undertaking to the Transferee Company with effect from its transfer to the Transferee Company on the Effective Date, as more particularly identified in the Merger Agreement; and

"Transferring IPR" means the IPR listed as part of Identified Assets in Part 1 of Schedule 1.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. Share Capital

2.1. The share capital structure of the Transferor Company is as follows:

	INR as of March 31, 2015
Authorised Share Capital	
19,000,000,000 equity shares of INR 10 each	190,000,000,000
6,000,000,000 preference shares of INR 10 each	60,000,000,000
Total	**250,000,000,000**
Issued, Subscribed And Paid-Up Capital	
3,193,920,000 equity shares of INR 10 each	31,939,200,000
98,64,470 - 0.01% redeemable Non-convertible Non-Cumulative preference shares of INR 10/- each	98,644,700
Total	**32,037,844,700**

The equity shares of the Transferor Company are not listed on any recognised stock exchanges in India. Subsequent to 31 March 2015, as on the date of the Scheme being approved by the Board of Directors of the Transferor Company there is no change in authorized, issued, subscribed and paid-up equity share capital of the Transferor Company.

2.2. The share capital structure of the Transferee Company is as follows:

	INR as of March 31, 2015
Authorised Share Capital	
5,000,000,000 equity shares of INR 5 each	2,5000,000,000
Issued, Subscribed and Paid-up Capital	
2,488,979,745 equity shares of INR 5 each	12,444,898,725

The equity shares of the Transferee Company 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 5,636,178 (five million six hundred thirty six thousand one hundred and seventy eight) equity shares represented by the global depository receipts as on 31 March 2015. Subsequent to 31 March 2015, as on the date of the Scheme being approved by the Board of Directors of the Transferee Company there is no change in authorised, issued, subscribed and paid-up equity share capital of the Transferee Company.

3. Date of taking effect and operative date

The 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(s) or made as per Clause 16 of the Scheme, shall become operative and effective from the Effective Date.

Part II

Demerger and vesting of the transferred undertaking

4. Demerger and vesting of the transferred undertaking

4.1. With effect from the Appointed Date, the Transferred Undertaking shall, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and all other provisions of the Act and without any further act, deed, matter or thing be transferred and vested from the Transferor Company and stand transferred to and vested in or shall be deemed to be transferred to and vested in the Transferee Company, on a going concern basis, such that the Transferred Undertaking 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 Transferee Company simply by virtue of approval of the 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 the Scheme, the entire business and undertaking of the Transferred Undertaking including the properties, claims, title, interest, assets of whatsoever nature such as Licenses, registrations, quotas, allocations 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, pursuant to the provisions of Section 394 of the Companies Act, 1956, 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 of vesting of certain Identified Assets and assumption of certain Identified Liabilities, comprised in the Transferred Undertaking, be and stand transferred to and vested in the Transferee Company as a going concern.

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

4.4. In respect of assets other than those dealt with in Clause 4.3 above and forming part of the Identified Assets, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the Transferred Undertaking, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in the Transferee Company 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 Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in the Transferee Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes and the Transferor Company shall provide all necessary assistance required in this regard.

4.5. Upon the coming into effect of the Scheme, all Identified Liabilities exclusively relating to the Transferred Undertaking which arose out of the activities or operations of the Transferred Undertaking and which are more particularly identified in Part 2 of Schedule 1 shall without any further act or deed be and stand transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

All the Identified Assets and Identified Liabilities of the Transferred Undertaking, as set out in Part 1 and Part 2 of Schedule 1, respectively shall be deemed to be transferred on the Appointed Date, at the Consideration provided herein.

5. Permits and regulatory approval

5.1. With effect from the Appointed Date, Licenses be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Licenses shall endorse where necessary, and record the Transferee Company on such Licenses so as to empower and facilitate the approval and vesting of the Transferred Undertaking of the Transferor Company in the Transferee Company and continuation of operations pertaining to the Transferred Undertaking of the Transferor Company in the Transferee Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and Transferee Company 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 Transferee Company. The benefit of all Licenses, statutory and regulatory, including tax registrations, permissions or approvals or consents required to carry on the operations of the Transferred Undertaking shall without any other order to this effect, vest into and become available to the Transferee Company pursuant to the sanction of this Scheme.

5.2. The Transferor Company in relation to the Transferred Undertaking may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Transferred Undertaking shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the consumer products business, to the extent statutorily available, shall be claimed by the Transferee Company.

6. Contracts

6.1 Save as provided under this Scheme, upon coming into effect of this Scheme and subject to the provisions of this Scheme, all Contracts, agreements, undertakings, arrangements and understandings which relate exclusively to the Transferred Undertaking or of which any part exclusively relates, and which are expressly included in the Identified Assets, in each case to the extent that on the Effective Date the same remain to be completed or performed, to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible, shall be in full force and effect on and against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 The Parties acknowledge that upon the Scheme coming into effect, as a result of the approval of this Scheme by the High Courts, all the Contracts will be assigned, novated and/or transferred to the Transferee Company to the extent that such Contracts can be assigned, novated and/or transferred by the Transferor Company to the Transferee Company without Third Party Consent.

6.3 To the extent that any Category A Contract cannot be assigned without Third Party Consent Transferee Company and the Transferor Company shall both use all reasonable endeavours to obtain any such Third Party Consent by the Effective Date or as soon as practicable thereafter, including the payment of liabilities accrued until Effective Date and/or payments in lieu of contractual lock-in, that may be required to be made. The Transferee Company shall be liable for any costs or expenses (including payments in lieu of contractual lock-in) other than any payment of liabilities accrued until Effective Date in respect of obtaining such Third Party Consent and shall indemnify the Transferor Company in respect of the same.

Following the Effective Date and until the receipt of the required Third Party Consent in respect of a Category A Contract:

6.3.1. The Transferor Company shall hold the benefit of that Category A Contract and any assets related thereto on trust for the Transferee Company and shall account to the Transferee Company in respect of any of the monies or other benefits received by the Transferor Company in relation thereto and the Transferee Company shall be entitled to the use and enjoyment of such Category A Contracts and any assets relating thereto to the extent the Transferor Company is not constrained by operation of applicable law or any contractual obligation or any third party from providing any such use and enjoyment;

6.3.2. The Transferee Company shall from the Effective Date (at the Transferee Company's cost) assist the Transferor Company to perform all the obligations of the Transferor Company under such Category A Contracts and shall indemnify the Transferor Company against any Costs and Actions arising in connection with the Transferee Company's performance on behalf of the Transferor Company of any such Category A Contracts;

6.3.3. if sub-contracting or agency is permitted under the relevant Category A Contract without obtaining the relevant Third Party Consent, the Transferee Company shall perform the obligations of the Transferor Company arising after the Effective Date (to the extent the obligations under the relevant Category A Contract have been disclosed to the Transferee Company, in the manner provided for in the Merger Agreement, prior to the Effective Date) as the Transferor Company's subcontractor or agent on behalf of the Transferor Company, and the Transferor Company and the Transferee Company shall take all the steps including execution of necessary agreements or deeds to give effect to this Clause 6.3.3; and if and to the extent that sub-contracting or agency is not permitted under the relevant Category A Contract without obtaining any Third Party Consent, the Transferor Company and the Transferee Company shall make such other arrangements between themselves as are permitted to implement as far as possible the effective transfer of the benefit and burden of such Category A Contract to the Transferee Company; and

6.3.4. The Transferor Company shall take or not take any formal action under the relevant Category A Contract (including without limitation terminating such Contract), other than any action in the ordinary course of business required for continuation or maintenance of the Category A Contract, unless directed by the Transferee Company or the Transferee Company consents to such action in writing.

6.3.5. Notwithstanding Clause 6.3.4 above, if any Category A Contract is not novated or any necessary Third Party Consent is refused or otherwise not obtained within 120 Business Days of the Effective Date, the Transferor Company and the Transferee Company shall use all reasonable endeavours to achieve an alternative solution pursuant to which the Transferee Company shall both receive the full benefits of that Category A Contract and assume associated obligations. If no such alternative solution has been agreed between the parties within 12 months after the Effective Date then (i) the Transferee Company shall be entitled to require that the Transferor Company serves notice to terminate that Category A Contract; and/or (ii) the Transferor Company, at its sole discretion, shall be entitled to serve notice to terminate that Category A Contract. The Transferee Company shall be responsible for and indemnify the Transferor Company for any Costs and Actions arising in connection with such termination.

6.4 The Transferee Company and the Transferor Company shall use reasonable endeavours to renegotiate the terms and conditions of the Category B Contracts to terms and conditions which are acceptable to the Transferee Company (acting reasonably) prior to the Scheme coming into effect and the third party costs and expenses of such exercise shall be borne by the Transferor Company. In the event that the terms and conditions in respect of a Category B Contract are amended to a form that is acceptable to the Transferee Company then such contract shall be treated as a Category A Contract for the purposes of this Clause 6. Immediately after the Scheme coming into effect, the Transferor Company shall serve notice to terminate any remaining Category B Contracts and the cost for such termination shall be borne by the Transferor Company without Transferee Company assuming any responsibility for the same.

6.5 The Transferee Company and the Transferor Company agree that the Category C Contracts will not be assigned, novated or transferred to the Transferee Company with effect from Scheme coming into effect and the Transferor Company shall (at its own cost) give notice to terminate such Category C Contracts upon or as soon as reasonably practicable following the Effective Date. The Transferor Company agrees that it will, to the extent the Transferor Company is not constrained by operation of applicable law or any contractual obligation or any third party from providing any such use and enjoyment, allow the Transferee Company the use and benefit of such Category C Contracts for a period of the relevant termination notice subject to the Transferee Company being responsible for and indemnifying the Transferor Company in relation to the ongoing costs (other than any exit costs which will be borne by the Transferor Company) of such Category C Contracts from the Effective Date until their termination.

7 Employees

7.1 With effect from Effective Date, Transferee Company shall employ all Transferring Employees on such terms and conditions which on a cost-to-company basis is no less favorable to the Transferring Employees than in respect of their employment with the Transferor Company.

7.2 The Transferee Company will not terminate the employment of any Transferring Employee within a period of 180 days from the date of their employment with the Transferee Company without cause.

7.3 Transferor Company shall encourage all Transferring Employees to accept the employment with Transferee Company with effect from the Effective Date.

8 Legal proceedings

8.1 No legal or other proceedings pending against the Transferor Company whether in relation to the business, operations, affairs or conduct of the Transferred Undertaking or otherwise are proposed to be transferred to Transferee Company pursuant to this Scheme ("Excluded Litigation")"

9 Consideration

9.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Transferred Undertaking in the Transferee Company pursuant to provisions of this Scheme and applicable law, the Transferee Company shall (i) issue and allot to the Transferor Company, in accordance with the terms of the Scheme and without any further application, act, deed payment, consent, acts, instrument or deed 276,553,305 (Two Hundred Seventy Six Million Five Hundred Fifty Three Thousand Three Hundred Five Only) fully paid up equity share of INR 5 (Indian Rupees Five only) each of Transferee Company ("**New Equity Shares**"), aggregating to ten percent (10%) of the total issued and fully paid up share capital of the Transferee Company, on a fully diluted basis, as on date of Merger Agreement, free and clear of all Encumbrances, together with all rights, title, interests and benefits now; and (ii) undertake to perform its obligation under the Earn Out Deed.

9.2 The New Equity Shares issued and allotted in terms of Clause 9.1 above, in compliance with the applicable regulations, shall be listed and / or admitted to trading on the Stock Exchanges. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this

Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange(s).

9.3 The New Equity Shares to be issued and allotted as provided in Clause 9.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company as amended pursuant to the Scheme 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, right shares, voting rights and other corporate benefits.

9.4 The Transferee Company shall apply for listing of the equity shares issued in terms of Clause 9.1 above on the Stock Exchanges in terms of the Listing Agreements or the SEBI Listing Regulations, as the case may be, upon the receipt of the order of the High Courts and in compliance of the SEBI Listing Regulations.

9.5 The issue and allotment of the New Equity Shares to the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or Transferor 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 statutes and regulations as may be applicable were duly complied with.

9.6 The New Equity Shares shall be issued in dematerialized form to the Transferor Company, provided all details relating to its account with the depository participants are available with the Transferee Company. If such details are not provided by the Transferor Company, the New Equity Shares shall be issued to it in the physical form.

9.7 Immediately upon issue, allotment and listing of New Equity Shares, the Transferor Company shall have an option to exchange the New Equity Shares held by it with its Swap Shareholders in the ratio provided hereinafter, in lieu of the shares of the Swap Shareholders held in the Transferor Company getting cancelled, as a result of which certain reduction of share capital of the Transferor Company will take place. The board of the Transferor Company has approved that the Swap Shareholders will have an option to swap or exchange their shares in the Transferor Company for New Equity Shares held by the Transferor Company in the ratio of 11.5:1, i.e., for every 11.5 equity shares of Transferor Company held by a Swap Shareholder, the Swap Shareholder will be entitled to get from the Transferor Company one New Equity Share. Such swap or exchange is not mandatory, but can be exercised at the option of each of the Swap Shareholders at any time within three months of the issuance, allotment and listing of the New Equity Shares on the Stock Exchanges in accordance with the process as notified by the Transferor Company to the Swap Shareholders. The Transferee Company shall, as per applicable law, record in the register of its members the transfer of shares pursuant to the aforesaid swap or exchange.

Part III
General Terms & Conditions

10 Dividends

10.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

10.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on Transferor Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of the Transferee Company, subject to such approval of the shareholders, as may be required.

11 Accounting by the transferor company and the transferee company in respect of assets and liabilities

11.1 Accounting treatment in the books of the Transferor Company:

11.1.1 The Identified Assets and the Identified Liabilities pertaining to the Transferred Undertaking being transferred to the Transferee Company shall be for the Consideration provided herein.

11.1.2 The excess of the value of net assets (i.e. value of assets as reduced by value of liabilities which have been transferred pursuant to the Scheme) over the value of Consideration received by Transferor Company shall be appropriated in the following manner: the securities premium account, the general reserves account and where there remains any outstanding balance, after appropriation from the aforesaid reserves in the stipulated order, will be further adjusted against the Statement of Profit and Loss of the Transferor Company or the treatment will be given as per the applicable law in force on the Effective Date of the Scheme.

11.1.3 The excess of the value of the Consideration received by Transferor Company over the value of net assets which have been transferred pursuant to the Scheme (i.e. value of the assets as reduced by the value of liabilities which have been transferred pursuant to the Scheme) shall be credited to general reserve or any other reserve as per the law in force on the Effective Date of the Scheme.

11.1.4 The reduction, if any, in the share capital and/or the securities premium account of the Transferor Company, on account of above and on account of any swap or exchange as contemplated in Clause 9.7 above, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of the Act, Sections 100 to 103 of the Companies Act, 1956, and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act, 1956, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Companies Act, 1956 will not be applicable.

11.2 In the books of the Transferee Company:

11.2.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the Identified Assets and Identified Liabilities comprised in the Transferred Undertaking transferred to and vested in it pursuant to this Scheme, at the fair market value as on the close of business on the day prior to the Effective Date.

11.2.2 The Transferee Company shall credit its share capital account in its books of account with the aggregate face value of the New Equity Shares issued to the Transferor Company pursuant to Clause 9.1 of this Scheme.

11.2.3 The excess or deficit, if any, remaining after recording the aforesaid entries shall be debited by the Transferee Company to goodwill or credited to the capital reserve account, as the case may be.

12 Remaining Business

12.1 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 the Transferor Company other than the assets and liabilities transferred pursuant to this Scheme, including the Identified Assets and the Identified Liabilities mentioned in Part 1 and Part 2 of Schedule 1, respectively, shall continue to belong to and be vested in and be managed by the Transferor Company.

12.2 All legal, taxation and / or other proceedings by or against the Transferor Company 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 Transferor Company (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced against the Transferor Company.

13 Carrying on the business of the transferred underting until the effective date

13.1 With effect from date when the board of directors of the Transferor Company and the Transferee Company approve this Scheme and up to and including the Effective Date, the Transferor Company shall:

13.1.1 take reasonable steps to preserve and protect the Transferred Undertaking and not to dispose of any of the Identified Assets save in the ordinary and usual course of business;

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

13.1.3 notify the Transferee 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 13.

14 The Transferor Company 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 Company 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 Transferred Undertaking under this Scheme.

15 Indemnity

The Transferor and Transferee Company have agreed to indemnify each other for certain events as provided in the Merger Agreement.

16 Modification or amendments to the Scheme

16.1 On behalf of the Transferor Company and the Transferee Company, the boards of directors of the respective companies acting themselves or through authorised persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the High Court or any other 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 directors of the Transferor

Company and board of directors of the Transferee Company) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

For the purpose of giving effect to this Scheme or to any modification thereof the boards of directors of the Transferor Company and the Transferee Company 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.

17 Amendment to the Articles of Association of the transferee company

17.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, without any further act or deed, the Articles of Association of the Transferee Company be altered and amended to include such articles as stated in Schedule 2 to this Scheme.

17.2 Consent of the shareholder of the Transferee Company to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Transferee Company as set out in Schedule 2 and no further resolution under Section 31 or any other applicable provision of the Act in this regard, would be required to be separately passed in connection with the alteration and amendment to the Articles of Association by the Transferee Company.

18 Conditions Precedent

18.1 The Scheme is conditional on and subject to:

(i) The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company as required under Section 391 of the Companies Act, 1956 and other applicable provisions of the Act;

(ii) Transferee having received, in-principle approval of the BSE and the NSE for the issuance of the New Shares in accordance with this Scheme and any other applicable provisions, if any, of Listing Agreement;

(iii) Grant of approval by the Competition Commission of India for the relevant transactions under this Scheme for which such approval is required under the provisions of the Competition Commission of India Act, 2002 in a form and substance satisfactory (including any condition contained in such approval required to be met prior to Completion taking place) to the Transferee Company and Transferor Company (each acting reasonably), and any conditions contained in such approval required taking place, or such approval being deemed pursuant to the provisions of the Competition Commission of India Act, 2002

(iv) receipt of written approval from the DoT, either unconditionally or in a form and substance satisfactory to the Transferor Company and Transferee Company (each acting reasonably) with respect to the transactions envisaged under this Scheme and any conditions contained in such approval required to be met taking place whether through the action of the Transferee Company or the Transferor Company;

(v) The sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Companies Act, 1956, being obtained by the Transferor Company and the Transferee Company;

(vi) The Parties complying with other provisions of the SEBI Listing Regulations and Listing Agreement (including SEBI Circulars);

(vii) Requisite approval / no objection certificates being obtained by the Transferee Company and the Transferor Company, from the appropriate statutory or regulatory authority(ies) other than as mentioned above in this Clause, as required under applicable law for the completion of the transactions contemplated in this Scheme;

(viii) Certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the relevant Registrar of Companies having jurisdiction as prescribed under the applicable laws;

(ix) in respect of Global Cloud Xchange:

(a) receipt by the Transferee Company of the approval of the US Federal Communications Commission either unconditionally or in a form and substance satisfactory to the Transferee Company (acting reasonably), with respect to the Demerger;

(b) receipt by the Transferee Company of the approval of the Infocomm Development Authority of Singapore either unconditionally or in form and substance satisfactory to the Transferee Company (acting reasonably), with respect to the Demerger; and

(c) the period of time for any applicable review process by the Committee on Foreign Investment in the United States ("**CFIUS**") pursuant to 50 U.S.C. App. § 2170 relating to the determination of any threat to national

security in respect of the Demerger having expired, and CFIUS not having taken any action or made any recommendation to block or prevent consummation of the Demerger within that period;

(x) there having been no Transferor Company Material Adverse Change;

(xi) there having been no Transferee Company Material Adverse Change;

(xii) the Transferor Company having obtained the "Consent and no objection certificate" from the concerned Assessing Officer of Income Tax, pursuant to Section 281 of the (Indian) Income-tax Act, 1961, for transfer of the Transferred Undertaking, as contemplated in this Scheme;

(xiii) there being no change in the applicable law (including any change in interpretation of applicable law by relevant government entity) during the period between the date of the Merger Agreement and Effective Date which prohibits or makes unlawful, the performance of any of the transactions contemplated in the Scheme.

18.2 The effectiveness of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by Transferor Company and the Transferee Company of the Conditions Precedent, at or prior to the Effective Date.

18.3 It is hereby clarified that submission of the Scheme to the High Courts and to appropriate authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferee Company may have under or pursuant to all appropriate and applicable law.

18.4 On the approval of this Scheme by the shareholders and the creditors of the Transferor Company and the Transferee Company 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.

19 Effect of non-receipt of approvals and matters relating to revocation / withdrawal of the scheme

19.1 The Transferor Company and / or the Transferee Company acting through their respective board of directors shall each be at liberty to withdraw this Scheme, in the event of termination of the Merger Agreement.

19.2 If the Scheme is not effective on or before 30 June 2016 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective board of directors or its authorised 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.

19.3 In the event of revocation / withdrawal under Clause 19.1 or 19.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except as provided in the Merger Agreement.

20 Costs, charges and expenses

All Costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc) of the Transferor Company and the Transferee Company respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne and paid equally by the Transferor Company and the Transferee Company. Stamp duty on the orders of the High Courts, if any, and to the extent applicable, shall also be borne and paid equally by the Transferor Company and the Transferee Company respectively.

Schedule 1
Part 1
Identified assets of the transferred undertaking as on the appointed date

1. Telecom equipment operational and radiating at the time of deal like Base transceiver station (BTS), Microwave equipment, core MSS equipment like MSC, MGW and BSC, Intelligent network (IN), SMSC, mediation , BSC, PDSN, HLR, NMS/ OSS, Performance monitoring tools, AAA, CG (Charging Gateway), CG-NAT, DNS, Firewall, PCRF, RAN-AAA, SPR, TCPO, HA/DPI, Caching Server, RDN/MEN network elements, UBR equipment, transport equipments including routers, switches, interconnect equipments, etc, Repeaters, Video optimizer, Test equipments like Protocol analyser, Spectrum analyser, etc with the exclusion of passive infrastructure equipment on BTS sites.
2. Information technology (IT) assets like switches , servers, Routers office software , All the softwares and Licenses used for running the current IT setup like SAP, EBPP, Oracle, Billing, DND, M Bonus, STP, OSC, Microsoft licenses, operational applications, RA/ FMS, consumable inventory, etc.
3. OFC Cables including IRU of OFC cables, STM , ducts including rights to use given and taken on IRU basis from other telecom service provider, test & measurement instruments, splicing machines.
4. Wireline node and asset including switched and MSC, CPE used for wireline customers.
5. All spare equipment modules and consumables available at circle warehouse or any Network facility related to above listed equipments/ nodes.
6. BSS, MSS, MW equipment on non-operational sites/ Circles (other than 9 circles in consideration), and equipment de-installed from non -operation sites and circles presently stored in the warehouses.
7. ROW permissions stretchwise (city/circle).
8. All Telecom Licenses as set out in Annexure A of this Schedule 1.
9. All Rights to use spectrum.
10. Handset and Devices inventory.
11. Available CENVAT Credit on the Effective Date.
12. Intellectual Property Rights embedded in or predominantly used in relation to the assets listed above.

Part 2
Identified liabilities of the transferred undertaking as on the appointed date

1. Negative working capital (excluding those pertaining to Excluded Assets e.g. deposit on leasehold properties) not exceeding USD 40,000,000 (United States Dollars Forty Million only) as per the reference USD-INR conversion rate of the Reserve Bank of India on the Effective Date.
2. The bridge loan in an amount not exceeding USD 40,000,000 (United States Dollars Forty Million only) as per the reference USD-INR conversion rate of the Reserve Bank of India on the Effective Date, taken by Transferor Company to finance its working capital ("Working Capital Bridge Loan").
3. The bridge loan in an amount not exceeding USD 60,000,000 (United States Dollars Sixty Million only) as per the reference USD-INR conversion rate of the Reserve Bank of India on the Effective Date taken by Transferor Company to finance the payment of spectrum charges payable between the date of signing and Completion ("Spectrum Payment Bridge Loan").
4. Existing Deferred Spectrum payment obligations of Auction 2013 to Department of Telecommunications, Ministry of Communications & Information Technology, Government of India.
5. Exit penalties related to IP colo contracts in the operating circles (Rajasthan, Delhi, U.P. West, Kolkata, West Bengal, Tamil Nadu, Karnataka, Kerala and Gujarat);
6. Exit penalties related to IP colo contracts in other than operating circles as identified in Annexure B of this Schedule 1.
7. DoT liabilities for the identified disputes as provided in Annexure C of this Schedule 1.
8. Any liability for sites that have been exited by Transferor Company prior to Completion (a) at the request of Transferee Company; and/or (b) on account of non-receipt of consent of infrastructure provider for assignment of contracts to Transferee Company pursuant to the Transaction.

Part 3
Excluded assets

1. All passive infrastructure equipment.
2. Telecom License: IP1.
3. Real estate assets including owned premises residing MSC, Data center land and buildings.
4. Excluded IPR
5. All assets and leasehold rights available in circle office, circles sales office including MSC sites cum office, except such assets and leasehold rights as selected by Transferee Company by 28 February 2016.
6. Servers, License of software not used for telecom business and IPR.

Annexure A
Telecom Licenses

S. No.	Name of License/ Service authorisation (Type of Service)	Service area	No. and date of license/ authorisation
1.	UASL (Access Service)	Rajasthan	Old No. 17-16/1995 – BSII/Rajasthan dated March 4, 1998 New No. 10-16/2004-BS-II/STL/ Rajasthan dated November 14, 2003
2.	Access Service	Delhi, Gujarat, Kerala, Karnataka, Tamil Nadu, UP West, West Bengal, Kolkata	Unified License No. 20-384/2013-AS-I Vol II dated October 3, 2013
3.	National Long Distance Service	India	Additional Authorization dated September 3, 2014 under the Existing Unified License No. 20-384/2013-AS-I Vol II
4.	ISP Category A	India	Additional Authorization dated April 29, 2015 under the Existing Unified License No. 20-384/2013-AS-I Vol II

Annexure B
Exit penalties related to IP colo contracts in other than operating circles

S. No.	Issue	Particulars	Amount (INR)
1.	IP Vendor Dispute	Pursuant to cancellation of telecom licenses by the Supreme Court vide judgment dated 02.02.2012, Transferor Company terminated its Master Service Agreements with the following IP vendors namely, Bharti Infratel Limited; Indus Towers Limited and Reliance Infratel Limited and Chennai Network Infrastructure Limited.	144.6 crores

Annexure C
DoT liabilities for identified disputes

S. No.	Issue	Particulars	Amount (INR)
1.	AGR	DoT has raised demands for License Fee & Spectrum Charges upon Transferor Company for FY 2001-02 to 2012-13. The interpretation of License condition on the definition of 'AGR' is pending adjudication before the Supreme Court.	INR 221.4 Crores
2.	EMF	DoT has raised notices/demands for violation EMF radiation norms for the period May, 2010 till date. The issue is pending adjudication before the TDSAT.	INR 172.6 Crores
3.	LD for 1st Year roll-out under the cancelled licenses	DoT had imposed liquidated damages upon Transferor Company for failure to meet 1st year roll-out obligations. Issue pending before Supreme Court.	INR 10 Crores (approx.)
4.	SCN/LD for 2nd year roll-out for the cancelled licenses	DoT has issued notices seeking to impose LD for delay in meeting 2nd year roll-out obligations for HP, NE and J&K circles. Issue pending with DoT.	INR 14.65 Crores
5.	CAF Penalty (Bihar) under the cancelled licenses	The DoT has raised penalty for violation of CAF guidelines in Bihar Circle for the period April 2011 to October 2012. The issue is pending adjudication before the High Court at Patna.	INR 40 Crores (approx.)
6.	PBG Issue (Rajasthan)	The DoT vide letter dated 15.05.2003 sought additional PBG of Rs. 50 Crores along with increase in value from Rs. 25 Crores to Rs. 50 Crores. Issue pending before Rajasthan High Court at Jaipur.	PBG for INR 75 Crores
7.	CAF Penalty (Mumbai) under the cancelled licenses	The DoT has issued Show Cause Notice for violation of CAF guidelines in Mumbai circle for the year 2010. Matter is pending with DoT.	INR 65 Lacs (approx.)

Schedule 2
Amended Articles of Association of transferee company

1. **Following new sub-articles be inserted in alphabetical order in Article 1 of the Articles of Association of the Transferee Company**

   "ADA Entities" shall have the meaning ascribed to the term in the Merger Agreement.

   "ADA Representative" the representative appointed by the ADA Entities in accordance with the Shareholders Agreement.

   "Affiliate Transfer" shall have the meaning ascribed to the term in Article 21C(b)(iii).

   "BSE" means BSE Limited.

   "Business Days" means a day (other than a Saturday or Sunday) on which banks are open for general business in Moscow and Mumbai.

   "Call Option" shall have the meaning ascribed to the term in Article 21D(g).

   "Called Shares" shall have the meaning ascribed to the term in Article 21D(g).

"Cash Alternative" shall have the meaning ascribed to the term in Article 21D(d).

"Change of Control" means, in respect of the ADA Entities being a company, if a person who directly or indirectly has Control of the ADA Entities as at the date of the Shareholders Agreement ceases to do so, or if a person obtains direct or indirect Control of the ADA Entities after the date of the Shareholders Agreement;

"Change of Control Notice" shall have the meaning ascribed to the term in Article 21G(a).

"Competing Business" means the business of RCOM as of the date of Merger Agreement which is carried on within India including mobile, enterprise, global and home TV but excluding always (i) the Permitted Businesses and (ii) any business which does not require any license from the Department of Telecom.

"Control Shares" shall have the meaning ascribed to the term in Article 21D(b).

"De Minimis Transfer" shall have the meaning ascribed to the term in Article 21C(a)(ii).

"Distributor Agreement" shall have the meaning given to the term in the Merger Agreement.

"Drag Along Notice" shall have the meaning ascribed to the term in Article 21D(b).

"Drag Along Purchaser" shall have the meaning ascribed to the term in Article 21D(a).

"Drag Along Right" shall have the meaning ascribed to the term in Article 21D(c).

"Drag Price" shall have the meaning ascribed to the term in Article 21D(b).

"Dragged Shares" shall have the meaning ascribed to the term in Article 21D(c).

"Encumbrance" any mortgage, pledge, lien, charge, assignment, hypothecation, or other agreement or arrangement or third party right which has the same or a similar effect to the granting of security.

"Lock In Period" means the twelve (12) month period commencing from the date of approval of the Scheme by the High Court of Judicature at Bombay and High Court of Rajasthan at Jaipur.

"Market Sale" means a sale of Shares on a Stock Exchange, including any sale of Shares undertaken:

(a) as a bulk deal pursuant to SEBI Circular SEBI/MRD/SE/Cir-7/2004 dated 14 January 2004, as modified from time to time; or

(b) as a block deal pursuant to SEBI Circular MRD/DoP/SE/Cir-19/05 dated 2 September 2005, as modified from time to time;

but shall not include a sale of Shares undertaken as an offer for sale pursuant to SEBI Circular CIR/MRD/DP/18/2012 dated 18 July 2012, as modified from time to time.

"Mandatory Open Offer Price" means offer price per Share that would be applied for a mandatory open offer under and in accordance with the SEBI Takeover Regulations.

"Merger Agreement" means the agreement entered between the Company, SSTL, Sistema and the ADA Entities on 2 November 2015.

"Minority Shareholders of SSTL" shall have the meaning ascribed to the term in Article 21A(c).

"NSE" means National Stock Exchange of India Limited.

"PAC" mean persons acting in concert for the purposes of the SEBI Takeover Regulations.

"Permitted Businesses" means

(a) any IT, media or retail business;

(b) any telecom tower business; and

(c) the data centre business at the Noida data centre.

"Permitted Encumbrance" shall have the meaning ascribed to the term in Article 21C(d).

"Permitted Transfer" shall have the meaning ascribed to the term in Article 21C.

"Private Sale" means any sale of Shares that does not constitute a Market Sale, but for the purposes of this definition a sale of Shares undertaken as an offer for sale pursuant to SEBI Circular CIR/MRD/DP/18/2012 dated 18 July 2012 as modified from time to time) shall not be a Private Sale.

"Proposed Transferee" shall have the meaning ascribed to the term in Article 21B(c)(iii).

"Put Shares" shall have the meaning ascribed to the term in Article 43A(e)(ii).

"Related Party Transaction" shall have the meaning ascribed to the term in Article 43A(b)(iii).

"Residual Shares" shall have the meaning ascribed to the term in Article 21F(a).

"Right of First Refusal" shall have the meaning ascribed to the term in Article 21B(a).

"ROFR Offer Period" shall have the meaning ascribed to the term in Article 21B(d).

"ROFR Response" shall have the meaning ascribed to the term in Article 21B(d).

"Scheme" shall have the meaning ascribed to the term in the Merger Agreement.

"Scheme Transfer" shall have the meaning ascribed to the term in Article 21A(c).

"SEBI Takeover Regulations" the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations 2011, as amended.

"Shareholders Agreement" means the deed of agreement entered between the Company, SSTL, Sistema and the ADA Entities on 2 November 2015.

"Share Issue" shall have the meaning ascribed to the term in Article 43A(b)(ii).

"Sistema" means Sistema JSFC, a company incorporated in the Russian Federation (registered number 1027700003891) and whose registered office is at 13 Mokhovaya Street, Moscow, 125 009, Russian Federation (which expression shall be deemed to include its successors and permitted assigns).

"SSTL" means Sistema Shyam Teleservices Limited, a company incorporated in under the Companies Act 1956 under the corporate identity number U64201RJ1995PLC017779 and whose registered office is situated at MTS Tower, Amrapali Circle, Vaishali Nagar, Jaipur 302 021, Rajasthan, India (which expression shall be deemed to include its successors and permitted assigns).

"SSTL Offer Notice" shall have the meaning ascribed to the term in Article 21B(c).

"SSTL Per Share Consideration" shall have the meaning ascribed to the term in Article 21B(c)(ii).

"SSTL Put Option" shall have the meaning ascribed to the term in Article 43A(e)(ii).

"SSTL Put Option Notice" shall have the meaning ascribed to the term in Article 43A(e)(i).

"SSTL Sale Shares" shall have the meaning ascribed to the term in Article 21B(a).

"SSTL Shareholder Rights" means rights provided to SSTL under Articles 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 43A, 91 and 92.

"Stock Exchange" means a stock exchange recognised in accordance with the Securities Contracts (Regulation) Act, 1956.

"Tag Along Right" shall have the meaning ascribed to the term in Article 21E(c).

"Tag Period" shall have the meaning ascribed to the term in Article 21E(c).

"Third Party Shares" means the Shares which have been acquired by SSTL or Sistema on a Stock Exchange or from a third party seller off-market after the date of the Merger Agreement.

"Transaction Documents" has the meaning given to it in the Merger Agreement;

"Transfer Notice" shall have the meaning ascribed to the term in Article 21E(b).

"Transferee" shall have the meaning ascribed to the term in Article 21E(b).

"Volume-Weighted Price" means the sixty (60) trading days volume-weighted average market price a Share on the Stock Exchanges where the Shares of the Company are listed.

"Voting Support" shall have the meaning ascribed to the term in Article 43A.

2. Following new sub-articles to be substituted in place of the definition of "Affiliate" in Article 1 of the Articles of Association of the Transferee Company

"Affiliate" means in relation to any person, any other person directly or indirectly Controlled by, or Controlling of, or under common Control with, that person and, in the case of a trust, any trustee or beneficiary (actual or potential) of that trust.

3. Following new Articles 21 A, 21 B, 21 C, 21D, 21 E, 21 F, 21G and 21H be inserted immediately after Article 21 of the Articles of Association of the Transferee Company

21A General prohibitions on the transfer of shares by SSTL

(a) Save as otherwise provided in the Articles, no Share or any interest in a Share shall be transferred to, conferred upon, or become vested in any person by SSTL other than by the transfer of the whole legal and equitable title to a Share carried out in accordance with the Shareholders Agreement and these Articles. Any purported transfer or attempt to transfer any Shares in violation of the provisions the Articles by SSTL shall be void ab initio.

(b) SSTL shall not at any time, unless permitted under these Articles:

(i) sell, assign or transfer all or any of the legal title alone, or the equitable title alone, in relation to a Share;

(ii) create or permit to subsist any Encumbrance in relation to a Share save for Permitted Encumbrances;

(iii) create or permit to subsist any trust in relation to a share or confer any option, right or interest in relation to a Share;

(iv) enter into any agreement, arrangement or understanding in respect of votes relating to a Share or the right to receive dividends or other payments or any other rights in respect of a Share; or

(v) create, transfer or decrease any economic interest in relation to a Share; and

(vi) any such act, or any other dealing or attempted dealing or disposal of a Share, any interest in a Share or any right attaching to a share, other than in accordance with the Articles and the Shareholders Agreement.

(c) Save in respect of a De Minimis Transfer or a transfer of Shares to shareholders of SSTL other than Sistema and the Russian Federation (the **"Minority Shareholders of SSTL"**) pursuant to the Scheme (a **"Scheme Transfer"**), SSTL shall not at any time be entitled to transfer any of its Shares, directly or indirectly, to any Competing Business, except with the prior consent of the ADA Entities, such consent not to be unreasonably withheld.

(d) Save in respect of:

(i) an Affiliate Transfer;

(ii) the exercise of a SSTL Put Option;

(iii) the transfer of any Third Party Shares;

(iv) a Scheme Transfer;

(v) the creation of a Permitted Encumbrance; or

(vi) De Minimis Transfers;

SSTL shall not transfer any of its Shares during the Lock-in Period.

(e) For the avoidance of doubt, none of the restrictions in the Articles 21A, 21B and 21C shall apply to any transfer of Shares by the ADA Entities or any person who is not a Party to the Shareholders Agreement.

21B Right of first refusal

(a) Following the expiry of the Lock-in Period, in the event that SSTL intends to transfer any Shares in accordance with Article 21A and receives a bona fide offer from a third party, not being its Affiliate with respect to such Shares (the **"SSTL Sale Shares"**), SSTL shall, subject to Article 21B(b), be first required to offer such Shares to the ADA Entities who shall have a right, but not the obligation, to purchase by themselves or through an Affiliate or nominee, all the SSTL Sale Shares (which are not Third Party Shares) at the SSTL Per Share Consideration (**"Right of First Refusal"**).

(b) SSTL shall not be first required to offer any Shares to the ADA Entities where such a transfer or sale of Shares is a Permitted Transfer or is by way of exercise of its Tag Along Right.

(c) If, pursuant to Article 21B(a), SSTL is proposing to transfer any Shares, SSTL shall send a written notice **("SSTL Offer Notice")** to the ADA Representative. The SSTL Offer Notice shall state:

(i) the number of SSTL Sale Shares;

(ii) the proposed consideration for each SSTL Sale Share **("SSTL Per Share Consideration")** and the manner and time for payment of the total consideration;

(iii) the proposed date of the transfer, and the name and details of the transferee **("Proposed Transferee")**; and

(iv) all and any other material terms and conditions of the sale (which may not include any non-compete or similar restrictive covenant).

(d) The Right of First Refusal shall be exercised by the ADA Entities within one (1) month of receipt by the ADA Representative of the SSTL Offer Notice **("ROFR Offer Period"),** by giving SSTL notice in writing signed by the ADA Representative of its decision to exercise the Right of First Refusal **("ROFR Response")** and completion of the transfer to the ADA Entities or their designated Affiliate or nominee (at the election of the ADA Entities, either by way of a Private Sale or a Market Sale) shall take place within forty five (45) days of the end of the ROFR Offer Period.

(e) In the event the ADA Entities do not exercise the Right of First Refusal within the ROFR Offer Period, then the transfer of the SSTL Sale Shares to the Proposed Transferee shall take place within forty five (45) days of the end of the ROFR Offer Period on the same terms and conditions as set out in the SSTL Offer Notice, failing which the provisions of this Article 21B shall apply once again to any proposed transfer of Shares by SSTL.

21C Permitted transfers

The following transfers shall be **"Permitted Transfers":**

(a) the transfer by SSTL of Shares on market which do not exceed:

(i) zero point five (0.5) per cent of the Company's issued share capital (when aggregated with all and any other such sales in the twelve (12) months period preceding the relevant proposed sale); and

(ii) twenty five (25) per cent. of the average daily and / or monthly volume of trading in the Company's shares on the BSE and NSE where the Share of the Company are presently listed, (a "**De Minimis Transfer**");

(b) the transfer by SSTL of any Shares to any Affiliate of SSTL, provided that such transferee:

(i) is not subject to any economic, voting, management or other rights in favour of a Competing Business or any Affiliate of a Competing Business;

(ii) as a condition of such transfer, executes and delivers to the ADA Representative a deed of adherence pursuant to which each such transferee shall (i) be treated as a Member for the purposes of these Articles; and (ii) be subject to the burden of all the provisions and continuing obligations of these Articles, but without releasing SSTL and Sistema from its obligations under these Articles; and

(iii) agrees in writing to promptly transfer the relevant Shares back to SSTL (or another Affiliate of SSTL that has executed and delivered a deed of adherence) immediately prior to the relevant transferee ceasing to be an Affiliate of SSTL (an "**Affiliate Transfer**");

(c) the transfer of any Third Party Shares; or

(d) the grant by SSTL of security over its Shares in favour of the bank or banks which have provided financing to SSTL, Sistema or any of their respective Affiliates for a term exceeding a period of twelve (12) months and subject to such banks unconditionally accepting the ADA Entities' Right of First Refusal and Drag Along Right, as provided in Articles 21B and 21D, by such banks providing confirmation in writing to the ADA Entities in advance in a form reasonably acceptable to the ADA Entities (**"Permitted Encumbrances"**).

21D Drag along right / call option

(a) Where the ADA Entities wish to directly or indirectly dispose of twenty six (26) per cent or more of their aggregate shareholding in the Company at any time to a bona fide third party purchaser (acting alone or in concert with other third parties) **("Drag Along Purchaser")** by way of a sale the provisions of this Article 21D shall apply.

(b) The ADA Entities shall be entitled to give written notice to SSTL of the material terms and conditions of the proposed transaction (including the number of Shares proposed to be disposed of in compliance with Article 21D(a) (the **"Control Shares"**) and the proposed purchase price per Share (**"Drag Price"**)) at least fifteen (15) Business Days before the date proposed for the completion of the transfer of the Shares (or such shorter notice period as is required under applicable law) (the **"Drag Along Notice"**).

(c) If a Drag Along Notice is given to SSTL, SSTL shall be bound to sell the same pro rata shareholding in the Company as the Control Shares bear to the overall holding of the ADA Entities in the Company, to the Drag Along Purchaser on the same terms and conditions as set out in the Drag Along Notice (the **"Dragged Shares"**) and to complete such transfer as provided by Article 21D(f) (the **"Drag Along Right"**).

(d) In the event that the offer made by the Drag Along Purchaser is for non-cash consideration, SSTL shall have the option to require the ADA Entities to pay SSTL a price equivalent to the Drag Price in cash as agreed or calculated in accordance with Article 21D(e) (the **"Cash Alternative"**) in respect of the Dragged Shares by giving written notice to the ADA Representative within fifteen (15) Business Days of the receipt of the Drag Along Notice (or such shorter notice period as is required under applicable law).

(e) The Cash Alternative shall be either:

(i) the cash price of the Dragged Shares as may be agreed between SSTL, ADA Entities and any person who executes a deed of adherence pursuant to the Shareholders Agreement; or

(ii) where no such agreement has been reached within fifteen (15) Business Days of service of the Drag Along Notice (or such (i) earlier date as required under applicable law; or (ii) later date as SSTL, ADA Entities and any person who executes a deed of adherence pursuant to the Shareholders Agreement may agree), the price per Dragged Share shall be the highest of:

1. the Volume-Weighted Price preceding the announcement of the transaction pursuant to which the Drag Along Right is being exercised or, in the absence of any announcement, the date of receipt of the Drag Along Notice; and

2. the Mandatory Open Offer Price for a direct acquisition of Shares.

(f) Completion of the sale and purchase of the Shares pursuant to the Drag Along Right under this Article 21D shall take place on the same day, place and in the same manner as the completion of the underlying sale which is the subject of the Drag Along Notice.

(g) Where the aggregate shareholding of the ADA Entities in the capital of the Company has, as a result of:

(i) a Share issuance by the Company; or

(ii) a composite transaction that entails issuance of Shares by the Company and the sale of Shares by the ADA Entities,

fallen below thirty five (35) percent of the post Share Issue fully diluted share capital, the ADA Entities shall have the right to require SSTL to sell to the ADA Entities (**"Call Option"**) all but not less than all of the Shares (other than the Third Party Shares) held by SSTL (**"Called Shares"**). The Call Option can be exercised by written notice given at any time within sixty (60) days of the aforesaid reduction in the shareholding of the ADA Entities. The price per Called Share payable to SSTL in respect of the Call Option shall be the higher of:

1. the price payable if SSTL were to exercise the SSTL Put Option on the date the Call Option is exercised;

2. the price per Share for the issuance which has resulted in the shareholding of the ADA Entities getting reduced to below thirty five (35) percent as above.

(h) Completion of the sale and purchase of the Called Shares shall take place at the time, place and in the manner agreed by the ADA Entities, SSTL and any person who executes a deed of adherence pursuant to the Shareholders Agreement, or failing agreement on the thirtieth (30th) Business Day following exercise of the Call Option, at the registered office of the Company.

(i) At completion of the sale and purchase of the Called Shares, SSTL shall sell the Called Shares with full title guarantee and free from any Encumbrances.

21E Tag Along right

(a) Unless the ADA Entities have served a valid Drag Along Notice under Article 21D(b) above, the provisions of this Article 21E shall apply.

(b) If the ADA Entities either separately or together, wish to dispose directly or indirectly of twenty (20) per cent or more of their aggregate shareholding in the Company at any time to any person other than its Affiliates (**"Transferee"**), the ADA Entities shall provide a written notice to SSTL of the material terms and conditions of the proposed sale of the Shares (including the number of Shares proposed to be disposed of by the relevant ADA Entities and the proposed sale price per Share) at least fifteen (15) Business Days before the date proposed for the completion of the transfer of the Shares (or such shorter notice period as is required under applicable law) (a **"Transfer Notice"**).

(c) SSTL shall have a period of fifteen (15) Business Days from the date of receipt of the Transfer Notice (or such shorter notice period as is required under applicable law) (the **"Tag Period"**) in which to exercise a tag along right to sell either:

(i) all of the Shares (other than the Third Party Shares) held by SSTL as at the date of the Transfer Notice; or

(ii) at its sole discretion, a pro-rated percentage of the total shareholding of SSTL equivalent to the proportion of Shares being sold by the ADA Entities as set out in the Transfer Notice,

(the **"Tag Along Right"**), to the Transferee at the same price per Share and on the same other terms and conditions as those indicated in the Transfer Notice.

(d) If SSTL exercises the Tag Along Right, the ADA Entities may transfer their Shares to the Transferee on the same terms as stated in the Transfer Notice within sixty (60) days of such exercise, provided that the Transferee also purchases the Shares elected to be sold by SSTL pursuant to Article 21E on the terms of the Transfer Notice.

(e) If SSTL does not exercise the Tag Along Right within the Tag Period, the ADA Entities may transfer their Shares to the Transferee on the terms stated in the Transfer Notice within sixty (60) days of the expiry of the Tag Period.

(f) Completion of the sale and purchase of the Shares pursuant to the Tag Along Right under this Article 21E shall take place on the same day, place and in the same manner as the completion of the underlying sale which is the subject of the Transfer Notice.

21F Reduction in shareholding of SSTL

(a) If SSTL's and its Affiliates' collective shareholding is reduced to less than four (4) per cent of the Company's issued share capital as a result of issue of Shares by the Company then SSTL shall have the discretion to exercise the SSTL Put Option in relation to such number of Put Shares (the **"Residual Shares"**) pursuant to Article 43A(e), that on exercise of the SSTL Put Option under this Article the total consideration payable to SSTL in relation to such Residual Shares (calculated under Article 43A(e)(iii)) is up to USD 200 (two hundred) million and Article 43A(e) shall be read accordingly.

(b) SSTL shall provide written notice to the ADA Representative within twenty (20) Business Days of the announcement by the Company of the Share issue stating its decision to exercise the SSTL Put Option pursuant to Article 21F.

21G Change of control of the ada entities

(a) If a Change of Control occurs in respect of the ADA Entities such that when taken in the aggregate, ADA and his spouse and his lineal descendants no longer retain Control over the ADA Entities, the ADA Representative shall notify SSTL of the fact as soon as possible thereafter but not later than 10 (ten) Business Days confirming the date of the Change of Control (**"Change of Control Notice"**).

(b) SSTL shall have the discretion to exercise the SSTL Put Option (i) within 10 (ten) Business Days (or if it cannot exercise the option within this time period on account of any requirement of applicable law, such later date as may be required in order to comply with applicable law) of receiving the Change of Control Notice; or (ii) in the event the ADA Representative fails to provide a Change of Control notice pursuant to Article 21G(a), within 30 Business Days (or if it cannot exercise the option within this time period on account of any requirement of applicable law, such later date as may be required in order to comply with applicable law) of becoming aware that a Change of Control in respect of any the ADA Entities has occurred, such discretion in either case to be exercised in accordance with Article 43A(e).

21H Transfer of shares by ADA entities

The transfer by any ADA Entity of Shares to any Affiliate of such ADA Entity shall only be permitted where, as a condition of such transfer, such Affiliate executes and delivers to SSTL a deed of adherence pursuant to which each such transferee shall (i) be treated as a Member and an ADA Entity for the purposes of these Articles; and (ii) be subject to the burden of all the provisions and continuing obligations of these Articles and the Shareholders Agreement as if it had been an original Party to the Shareholders Agreement.

4. Following new Article 43A to be inserted immediately after Article 43 of the Articles of Association of the Transferee Company

43A. Voting support

(a) SSTL shall (to the fullest extent permitted under applicable laws and to the extent it does not materially and adversely affect SSTL or Sistema's rights and obligations under these Articles) irrevocably undertake and covenant to the ADA Entities promptly to mandatorily exercise all of its rights associated with the Shares at any and all meetings of the Members solely in accordance with such written directions of the ADA Entities as may be given to it from time to time by the ADA Representative (which, in each case, should be at least three (3) Business Days before the relevant meeting of the Members of the Company) (**"Voting Support"**), save as provided in Article 43A(b). In the absence of such written directions, SSTL shall exercise its rights as it may deem fit.

(b) SSTL shall not be required to provide Voting Support for any proposed resolution of the Company which concerns a matter which:

(i) directly or indirectly diminishes or deprives SSTL or its Affiliates of any of their rights, except where (i) such matters concern and equally (pro rata to their holdings) affect the rights of all the Members; or (ii) SSTL's rights will be affected in the same manner as those of all the Members including the ADA Entities;

(ii) would lead to any dilution of SSTL's shareholding in the Company (including, without limitation, as a result of any preferential allotment/transfer of equity securities), except in the case of an issue of new equity securities (**"Share**

Issue") where prior to the Share Issue, SSTL or its Affiliates have been given an equal (pro rata to their holdings) opportunity to participate in the Share Issue on the same terms and conditions as all of the other Members including ADA Entities, provided that where the Share Issue is being carried out for non-cash consideration which, if carried out, will lead to a dilution of SSTL's shareholding in the Company, SSTL shall have the discretion to either:

1. vote in accordance with the written directions of the ADA Entities as prescribed in Article 43A(a); or

2. exercise its right to a put option in accordance with Article 43A(e);

such discretion to be exercised by providing written notice to the ADA Representative not later than ten (10) Business Days after receiving the written direction;

(iii) relates to any related party transaction between the Company and any member of the ADA Entities or any Affiliate of the ADA Entities ("**Related Party Transaction**"); or

(iv) relates to the Distributor Agreement.

(c) In respect of any resolution relating to a Related Party Transaction, where all of the following occur:

(i) SSTL is prevented from voting in relation to a proposed resolution due it being considered a PAC under applicable law;

(ii) SSTL would have chosen to vote against the resolution had it been able to exercise its rights as a Member in the ordinary way and SSTL has expressed such dissent to the ADA Entities in writing before the vote has taken place;

(iii) the proposed resolution is subsequently passed by the Company but would not have passed but for SSTL withholding its vote; and

(iv) the rights of SSTL have been adversely affected by the passing of the proposed resolution,

SSTL shall have the discretion to exercise the SSTL Put Option in accordance with Article 43A(e), such discretion to be exercised by providing written notice to the ADA Representative no later than ten (10) Business Days (subject to applicable law) following the date such resolution is passed.

(d) If, pursuant to Article 43A(a), SSTL believes that its rights and obligations under these Articles will be materially and adversely affected by the passing of the proposed resolution of the Company, or if any of the circumstances set out in Article 43A(b) apply, it shall notify the ADA Representative to that effect within three (3) Business Days of receiving the relevant written direction.

(e) SSTL Put Option

(i) The SSTL Put Option may be exercised only in the circumstances described in Articles 21F, 21G(b), 43A(b) and 43A(c) by SSTL serving written notice to the ADA Representative notifying the ADA Representative that it is irrevocably exercising the SSTL Put Option (the "**SSTL Put Option Notice**").

(ii) Following the service of the SSTL Put Option Notice, SSTL shall require the ADA Entities, or a nominee identified by the ADA Entities, to acquire all of its Shares which are not Third Party Shares (the "**Put Shares**") on and subject to the terms of this Article 43A(e) (the "**SSTL Put Option**") and the SSTL Put Option shall be binding on the ADA Entities.

(iii) Subject to applicable law, the price for the sale of the Put Shares shall be either:

1. the cash price of the Put Shares as may be agreed between SSTL and the ADA Entities; or

2. where no such agreement has been reached within ten (10) Business Days of service of the SSTL Put Option Notice (or such later date as SSTL, Sistema, ADA Entities and the Company may agree), the cash price of each Put Share shall be the higher of:

a. the Volume-Weighted Price of a Share on the Stock Exchange preceding the date of the SSTL Put Option Notice; and

b. the Mandatory Open Offer Price for a direct acquisition of Shares as at the date of the SSTL Put Option Notice.

(iv) If SSTL: (a) exercises the SSTL Put Option; or (b) fails to serve a notice in accordance with Article 43A(b)(ii) within the prescribed time period, in either case, SSTL shall be obliged to exercise its rights in accordance with the written directions of the ADA Entities in accordance with Article 43A(a), including to vote in favour of any resolution implementing a Share Issue and all ancillary or connected matters.

(v) Completion of the sale and purchase of the Put Shares shall take place at the time, place and in the manner (including as to whether it will be a Private Sale or a Market Sale) agreed by SSTL, ADA Entities and any person who executes a deed of adherence pursuant to the Shareholders Agreement, or failing agreement on the thirtieth (30th) Business Day following exercise of the SSTL Put Option, at the registered office of the Company.

(vi) At completion of the sale and purchase of the Put Shares, SSTL shall sell the Put Shares with full title guarantee and free from any Encumbrances and, in the event that the sale and purchase is undertaken by way of a Private Sale, shall provide the ADA Entities or their nominee with an executed instrument of transfer and share certificate (if certificated) or the depository statement of SSTL's depository account evidencing the sale of the Put Shares, against delivery of the cash price in cleared funds.

(vii) As long as SSTL remains a Member, it shall:

1. have the right to participate in any issuance, by the Company in which Members are generally able to participate, at the price declared by the Company; and

2. be able to exercise the SSTL Put Option in respect of any such Shares acquired by SSTL under any such issuance.

5. Following new Articles 91 and 92 to be inserted immediately after Article 90 of the Articles of Association of the Transferee Company

91. Compliance by Affiliates

Members shall procure that their Affiliates perform and comply with all obligations and restrictions under this Article which apply to such Affiliates from time to time.

92. Consent requirement

Any amendments to the provisions of the Articles relating to the SSTL Shareholder Rights or any other provisions of the Articles to the extent they adversely affect the rights of the minority Members of the Company or the rights of SSTL under the Transaction Documents will require the prior written consent of SSTL (which shall not be unreasonably withheld or delayed).

November 02, 2015

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 the Telecom Undertaking of Sistema Shyam TeleServices Limited ("SSTL" or "Transferor Company) into Reliance Communications Limited ("RCL" or "Transferee Company")

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 proposed demerger of the Telecom Undertaking of Sistema Shyam TeleServices Limited ("SSTL" or "Transferor Company) into Reliance Communications Limited ("RCL" or "Transferee Company"). 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 November 02, 2015 and state as follows:

Company Profile:

Reliance Communications Limited is an India-based company that provides telecommunications services. The Company, through its subsidiaries, offers a chain of wireless (third generation (3G) services), wireline, 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. The Company'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. The Company offers next generation, integrated and convergent digital network that supports services spanning the entire communications value chain.

For the year ended 31 March 2015, the total revenue of RCL is INR 21,770 crores and the profit for the year is INR 714 crores on a consolidated basis. The issued, subscribed and paid up equity share capital of RCL as at 30 September 2015 is INR 1,244 crores consisting of 2,488,979,745 equity Shares of INR 5 each fully paid up.

Sistema Shyam TeleServices Limited is a telecom company headquartered in Gurgaon, India. SSTL primarily provides a range of voice and data card services. SSTL is a subsidiary of the Russia based Sistema Joint Stock Financial Corporation.

For the year ended 31 March 2015, the total revenue of SSTL is INR 1,429 crores and the loss for the year is INR 1,654 crores. The issued, subscribed and paid up equity share capital of SSTL as at 30 September 2015 is INR 3,194 crores, consisting of 3,193,920,000 equity shares of face value of INR 10 each fully paid up.

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Rationale of the Report:

We have been informed that the management of RCL and SSTL are contemplating a demerger of the Telecom Undertaking of SSTL into RCL ('Proposed Demerger' or 'Transaction') 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 Demerger, SSTL would be issued equity shares of RCL.

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:

a) Valuation Report by S.R. Batliboi & Co. LLP dated November 02, 2015;
b) Annual Report of RCL for FY 2014-15;
c) Audited Financials of SSTL for FY 2014-15;
d) Draft Scheme of Arrangement;
e) Other relevant information/documents regarding RCL and SSTL such as their history, past and present activities.

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:

"Fresh equity shares of 10.9% to 11.4% (rounded off) of existing share capital of RCL of INR 5 (Indian Rupees Five only) shall be issued to SSTL"

This shall translate to 271,298,792 (Two Hundred Seventy One Million Two Hundred Ninety Eight Thousand Seven Hundred Ninety Two Only) to 283,743,691 (Two Hundred Eighty Three Million Seven Hundred Forty Three Thousand Six Hundred Ninety One Only) fully paid up fresh equity shares of INR 5 (Indian Rupees Five only) each of RCL to be issued to SSTL

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 of Bombay and High Court of Rajasthan at Jaipur 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.

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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 RCL & SSTL 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 RCL & SSTL. We have solely relied upon the information provided to us by RCL & SSTL. We have not reviewed any books or records of RCL & SSTL (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 RCL & SSTL 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 RCL & SSTL. 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 RCL & SSTL 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 RCL & SSTL 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.

We understand that the managements of RCL & SSTL 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 RCL & SSTL 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 RCL & SSTL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to RCL & SSTL 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 RCL & SSTL for the purpose of this transaction 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

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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 RCL & SSTL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. 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 RCL's or SSTL'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 RCL & SSTL 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 RCL will trade following the announcement of the transaction or as to the financial performance of RCL & SSTL following the consummation of the transaction.

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, RCL & SSTL 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)

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RELIANCE

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Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	2
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (Sr. No. 1 + Sr. No. 2)	2
4.	Number of complaints resolved	2
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Alok Jain, shareholder of the Transferor Company	December 2, 2015	Resolved
2	Alok Jain, shareholder of the Transferor Company	December 5, 2015	Resolved

For Reliance Communications Limited

Sd/-
Prakash Shenoy
Company Secretary

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50
Stock of the nation

Ref: NSE/LIST/57558 January 13, 2016

The Company Secretary
Reliance Communications Limited
H Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai – 400710

Kind Attn.: Mr. Prakash Shenoy

Dear Sir,

Sub: Observation letter for draft scheme of arrangement between Sistema Shyam Teleservices Limited and Reliance Communications Limited and their respective shareholders and creditors

This has reference to draft scheme of arrangement between Sistema Shyam Teleservices Limited and Reliance Communications Limited and their respective shareholders and creditors submitted to NSE vide your letter dated November 19, 2015.

Based on our letter reference no Ref: NSE/LIST/55424 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated January 13, 2016, has given following comments on the draft Scheme of Arrangement:

"a) The Company to ensure that "Fairness Opinion" submitted by Reliance Communications Limited is displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the circular.

b) The company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

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 January 13, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

a. Copy of Scheme as approved by the High Court;
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 Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
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 : Kautuk Rohit Upadhyay
Date: Wed, Jan 13, 2016 19:51:53 GMT+05:30
Location: NSE

DCS/AMAL/AC/24(f)/261/2015-16 January 13, 2016

The Company Secretary
RELIANCE COMMUNICATIONS LTD.
H Block, Dhirubhai Ambani Knowledge City,
1st Floor, Navi Mumbai, Maharashtra, 400710.

Sub: Observation letter regarding the Draft Scheme of Arrangement involving Sistema Shyam Teleservices Limited and Reliance Communications Limited.

We are in receipt of Draft Scheme of Arrangement involving Sistema Shyam Teleservices Limited and Reliance Communications Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 13, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"To duly comply with various provisions of the Circulars."***
- ***"Company to ensure that "fairness opinion" submitted, as forwarded by NSE, vide letter received by SEBI on November 23, 2015, is displayed from the date of receipt of the letter on website of the listed company along with the various documents submitted pursuant to the circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- 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:

a. Copy of the High Court approved Scheme;
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. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. 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

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

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 106 OF 2016

In the matter of the Companies Act, 1956 (1 of 1956)
AND
In the matter of Sections 391 to 394 of the Companies Act, 1956;
AND
In the matter of Scheme of Arrangement
BETWEEN
Sistema Shyam TeleServices Limited ("SSTL" or "Transferor Company")
AND
Reliance Communications Limited ("RCOM" or "Transferee Company")
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

PROXY FORM

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 [_____] 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
3. Name : _____ Email – ID : _____
   Address : _____
   Signature : _____,

as my / our proxy, to act for me/ us at the **COURT CONVENED MEETING** of the Equity Shareholders to be held on Tuesday, 8th March, 2016 at 11.00 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 for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Sistema Shyam TeleServices Limited And Reliance Communications Limited and Their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 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

Signed this _____ day of _____ 2016

Signature of Shareholder(s)

Please affix revenue stamp

_____ _____ _____
Signature of Sole / first holder Signature of second holder Signature of third holder

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 Transferee Company.

TEAR HERE

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

ATTENDENCE SLIP

COURT CONVENED MEETING ON TUESDAY, 8th MARCH, 2016 AT 11.00 A.M.

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.

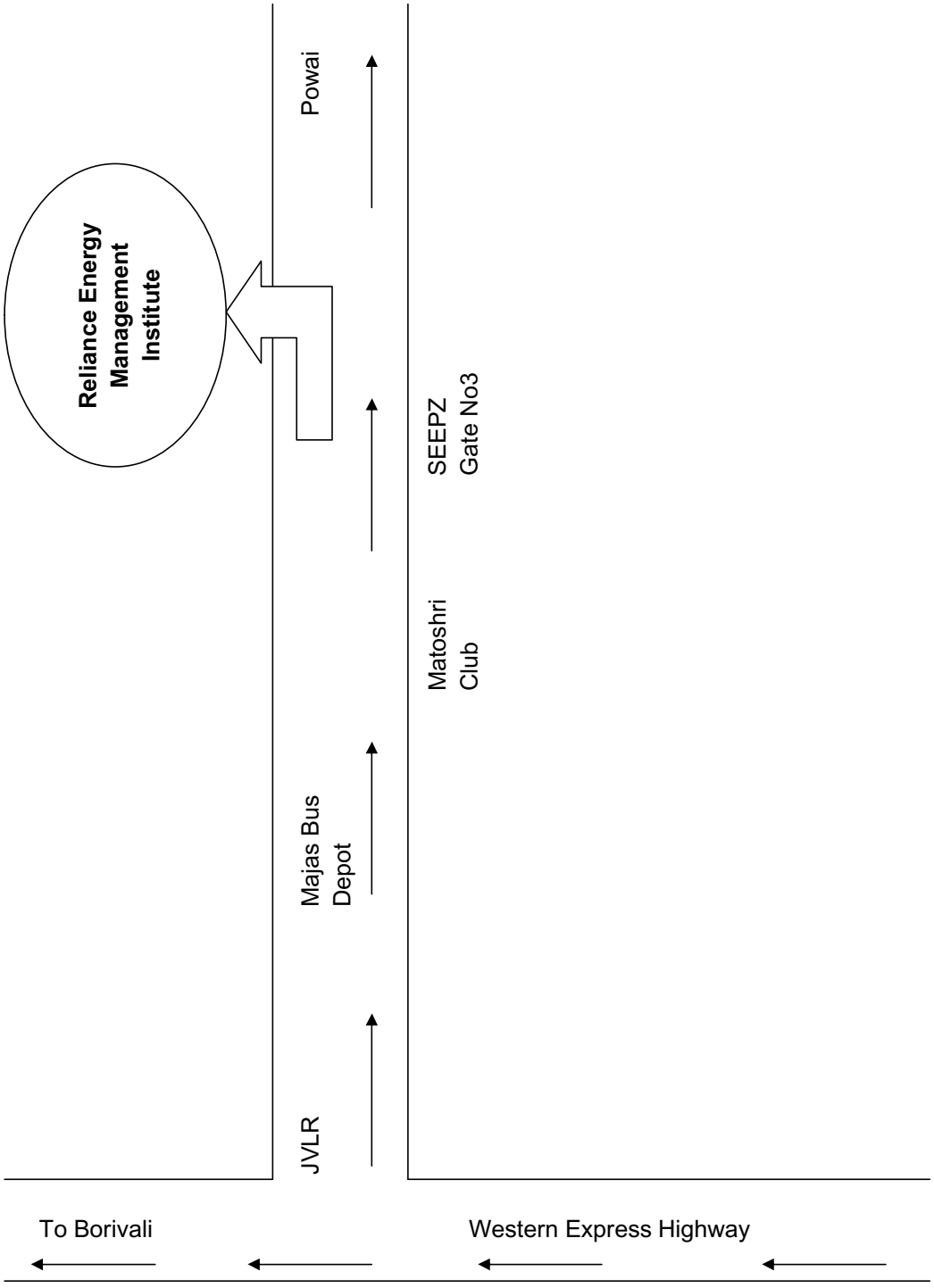
I/ We hereby record my presence at the **COURT CONVENED MEETING** of the Company to be held on Tuesday, 8th March, 2016 at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai 400 065 at 11.00 A.M..

_____ _____
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



Reliance Communications Limited
Registered Office: H Block, 1st Floor
Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
Phone: +91 22 3038 6286 Fax: +91 22 3037 6622
E-mail id: Rcom.Investors@relianceada.com
Website: www.rcom.co.in
CIN: L45309MH2004PLC147531

Reference No.

Despatch Serial No.

1 Name and registered address of the sole / first named Member (IN BLOCK LETTERS) :

2 Name(s) of the joint Member(s), if any, (IN BLOCK LETTERS) :

3 Registered Folio Number / DP ID No. / Client ID No. * :

4 Number of Share(s) held :

(*Applicable to investors holding share(s) in dematerialized form)

Dear Member,

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reliance Communications Limited ("RCOM" or "the Company") is providing e-voting facility (remote e-voting) to its Members in respect of the item of business to be transacted at the Court Convened Meeting in the matter of Scheme of Arrangement between Sistema Shyam TeleServices Limited ("SSTL" or "Transferor Company") AND Reliance Communications Limited ("RCOM" or "Transferee Company") scheduled to be held on Tuesday, March 8, 2016 at 11.00 AM at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opposite SEEPZ, North Gate No. 3, Aarey Colony, Aarey Colony Road, Mumbai – 400065.

The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the authorised agency to provide e-voting facility. The remote e-voting particulars are set out below:

EVEN (E-Voting Event Number)	User ID	Password/PIN

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting : From 9.00 A.M. on March 5, 2016.
End of remote e-voting : Up to 5.00 P.M. on March 7, 2016.

The facility of remote e-voting will not be available beyond the aforesaid date and time and it will be disabled by Karvy upon expiry of aforesaid period. The cut-off date for the purpose of remote e-voting is March 1, 2016.

Please read the instructions printed overleaf before exercising your vote. This communication forms an integral part of the Notice dated February 05, 2016, which is being mailed to you with this communication.

The notice for the Court Convened Meeting and this communication are also available on the website of the Company www.rcom.co.in.

Yours faithfully,
For Reliance Communications Limited

Mumbai
February 05, 2016

Prakash Shenoy
Company Secretary

Note: Please read the instructions given overleaf carefully before exercising your vote.

Instructions and other information relating to remote e-voting are as under:

1. The Company is pleased to provide remote e-voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:

   i) Open your web browser during the remote e-voting period and navigate to "https://evoting.karvy.com".

   ii) Enter the login credentials (i.e., user-id and password) mentioned in the letter. Your Folio No./DP ID - Client ID will be your User- ID.

User – ID	For Members holding shares in Demat Form:-
	For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
	For CDSL :- 16 digits beneficiary ID
	For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your unique password is printed overleaf.
Captcha	Please enter the Verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

   iii) Members can cast their vote on-line from March 5, 2016 at 9.00 A.M. to March 7, 2016 till 5.00 P.M.

   iv) After entering these details appropriately, click on "LOGIN".

   v) Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Karvy e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   vi) You need to login again with the new credentials.

   vii) On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.

   viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and have cast your vote earlier for any company, then your existing login ID and password are to be used.

   ix) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.

   x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

   xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

   xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board resolution / Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to 'evoting@karvy.com'. The file / scanned image of the Board resolution / Authority letter should be in the naming format 'Corporate Name Event no.'.

2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

3. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date, being Tuesday, March 1, 2016.

4. The facility for voting shall also be available at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again at the meeting.

5. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Karvy's website https://evoting.karvy.com OR contact toll free No. 1800 4250 999.

www.sapprints.com