

RELIANCE

Communications

Reliance Communications Limited

Registered Office: H Block, 1st Floor
Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
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E-mail id: Rcom.Investors@relianceada.com
Website: www.rcom.co.in
CIN: L45309MH2004PLC147531

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Notice is hereby given to the Members of **Reliance Communications Limited** (the "Company") for seeking consent of Members of the Company for transacting the special business by passing the following resolution through Postal Ballot including Electronic Voting (e-voting) pursuant to Section 110 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for time being in force):

1. To approve Sale/Disposal of Asset(s)/ Undertaking(s) of the Company and/or of its subsidiaries.

To consider and, if thought fit, to give your assent or dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT further to the Special Resolution passed through Postal Ballot on September 16, 2014 and in terms of the provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules, regulations, guidelines and other provisions of law, and also subject to all necessary approvals, consents, permissions and sanctions from the concerned authorities/bodies including Lenders and other persons holding encumbrance/charge, and subject to such terms and conditions as may be imposed by any of them, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) to transfer, sell, assign, deliver or otherwise dispose-off, from time to time, in one or more tranches, the whole or substantially the whole of the asset(s)/ undertaking(s) of the Company and/or of its subsidiaries together with all tangible and intangible assets (including its investment in subsidiary companies), liabilities, contracts, books, ledgers, records, pertaining to accounts, finances, information technology, insurance policies, rights, government or regulatory licenses and permits, employees and all other rights and claims of the Company pertaining to the said asset(s)/ undertaking(s), on a slump sale basis or by any other mode as a going concern or otherwise, to any related or unrelated person(s)/ body(ies)/ entity(ies)/ company(ies), for such consideration(s) whether in cash or otherwise and on such terms and conditions and in such manner as the Board may in its absolute discretion decide or as it may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle, approve, ratify and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalising and executing any agreements, writings, papers, memoranda, deed(s) of assignment/ conveyance, undertaking and/ or such other document(s) as may be necessary or expedient in their own discretion, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary and to do all necessary and incidental acts to give effect to this resolution."

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By Order of the Board of Directors

Prakash Shenoy
Company Secretary
ACS No. 14026

Place : Navi Mumbai
Date : January 12, 2018

Notes:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning each item of business to be transacted is annexed hereto.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear on the Register of Members / List of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on January 5, 2018. A person who is not a Member on January 5, 2018 i.e. the cut-off date for reckoning voting rights should treat this Notice for information purposes only.
3. The Board of Directors have appointed Shri Anil Lohia, Partner or in his absence Shri Rinkit Kiran Uchat, Partner M/s. Dayal and Lohia, Chartered Accountants as Scrutinizer for conducting Postal Ballot voting process (including e-voting) in a fair and transparent manner.
4. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility for its Members to enable them to cast their votes on the resolution electronically. **Kindly note that the Members can opt for only one mode of voting, i.e. either by physical postal ballot or e-voting. If you are opting for e-voting, then do not vote by physical postal ballot also and vice versa. In case Members cast their vote by both physical postal ballot and e-voting, it may be noted that vote cast by them by e-voting shall prevail and votes cast through physical postal ballot will be treated as invalid.** Karvy Computershare Private Limited ("Karvy"), Registrar and Transfer Agents will be facilitating e-voting to enable the Members to cast their votes electronically.
5. Members are requested to carefully read the instructions given in the enclosed Postal Ballot Form. Postal Ballot Form duly completed with the assent (**FOR**) or dissent (**AGAINST**) and signed should be returned in the enclosed self addressed postage prepaid reply envelope directly to the Scrutinizer so as to reach the Scrutinizer not later than 5:00 P.M. on February 15, 2018 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

The Scrutinizer will submit his report to the Chairman of the Board or any person authorised by him after completion of the scrutiny on or before February 17, 2018 and the results of voting by postal ballot (including voting through electronic means) will be declared on or before February 17, 2018 at the Registered Office of the Company by placing it along with the Scrutinizer's report on its Notice Board, Company's website www.rcom.co.in and on the website of the agency (Karvy), www.karvy.com and shall also be communicated to the Stock Exchanges.
6. The resolution shall be taken as passed effectively on the date of declaration of the result.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on January 5, 2018. Members can vote for their entire voting rights as per their discretion.
8. Member(s) can cast their vote electronically **from 10:00 A.M. on Wednesday, January 17, 2018 to 5:00 P.M. on Thursday, February 15, 2018.** The e-voting module shall be disabled by Karvy for voting thereafter.
9. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) opting for physical ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer along with the Postal Ballot Form.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to February 15, 2018.

Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice dated January 12, 2018.

Item No. 1 To approve Sale/Disposal of Asset(s)/ Undertaking(s) of the Company and/or of its subsidiaries.

Reliance Communications Limited (RCom) and its subsidiaries namely Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) (RCom, RTL and RITL collectively referred to as "RCom Group") have availed Loans from various bank, financial Institutions and other lenders, both domestic and overseas, pursuant to the respective financing documents entered into with them. The aggregate amount of outstanding loans of RCom Group, as on September 30, 2017 aggregated to approximately Rs. 40,052 crore.

RCom Group operates on a pan India basis and offer full value chain of communications services under various business units organised into strategic geographical business units i.e. India Operations and Global Operations. These strategic business units are supported by passive infrastructure connected to nationwide backbone of Optic Fibre Network as well as fully integrated network operation system and by the large retail distribution and customer services network. RCom also owns through its subsidiary company, a global submarine cable network infrastructure and offers managed services, managed Ethernet and application delivery services.

In the short and medium term, the telecom sector continues to face challenges, owing to very high degree of competition, the significantly increased cost of acquiring spectrum through auctions, the higher costs of network expansion in rural areas, regulatory uncertainties etc. The intense competition has led to declining ARPU (Average Revenue Per User), and ARPM (Average Revenue Per Minute), resulting in very muted growth in overall revenues, stagnant margins and inadequate free cash flows which led to default on debt servicing obligations of the RCom Group.

The lenders of the RCom Group at their meeting held on June 2, 2017 constituted a Joint Lenders Forum ("JLF") with State Bank of India as the Convener, and invoked the SDR Scheme in relation to the RCom Group, in accordance with the guidelines issued by the RBI.

Subsequently, RCom Group has taken several significant and constructive steps to reduce debt and liabilities and improve the long-term sustainability. RCom Group has worked closely with all Lenders and their advisors to run a competitive process in a transparent manner, to monetize the wireless spectrum, towers, fiber, media convergence nodes (MCNs), real estate assets and other asset(s)/undertaking(s) including development of prime real estate asset situated at Dhirubhai Ambani Knowledge City campus in Navi Mumbai.

The Monetization Process is being carried out under the oversight of an independent high powered Bid Evaluation Committee (EC), comprising of eminent experts from banking, telecom and legal areas. The monetisation process has elicited very strong response from interested parties both from India and abroad. Based on final recommendation of EC, Reliance Jio Infocomm Limited (RJIL) has been identified as the successful bidder. RCom Group has entered into binding agreement with RJIL for transfer/sale of wireless spectrum, towers, fiber and MCNs and other related infrastructure assets, subject to all requisite permissions, sanctions and approvals. The process of monetization of other assets is ongoing in consultation with the lenders. The Assets Monetization includes transfer/sale of wireless spectrum of Reliance Telecom Limited, a wholly Owned subsidiary of the Company.

Proceeds of asset monetization will be used to repay debt and reduce liabilities. Upon completion of all the transactions, the significant portion of debt and liabilities of the RCom Group will be repaid and balance debt is expected to be at the sustainable level.

Post the success of proposed asset monetization, your Company's continuing operations will comprise of stable and profitable B2B focused businesses, including Indian and Global Enterprise, Internet Data Centres and the largest private submarine cable network in the world. These B2B businesses are capital light and have sustained and predictable annuity revenues and profits, with immense growth potential amidst relatively low competitive intensity.

As per provisions of Section 180(1)(a) of the Companies Act, 2013, the Company cannot, except with the consent of the shareholders by way of special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Also, in terms of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting. Further, Regulation 24(6) of SEBI Listing Regulations, provides that no company shall sale, dispose of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing a special resolution in its general meeting. RITL is a material subsidiary of the Company. RITL, having Pan India presence across all 22 telecommunications circles, is the second largest private infrastructure provider in the country. RITL is in the business to build, own and operate telecommunication towers, optic fiber cable assets and related assets at designated sites and provide these passive telecommunication infrastructure assets on a shared basis to wireless service providers and other communications service providers under long term contracts.

The Company proposes to transfer, sell, assign, deliver or otherwise dispose-off, from time to time, in one or more tranches, the whole or substantially the whole of the asset(s)/ undertaking(s) of the Company and/or its subsidiaries as set out in the resolution at Item No. 1 and requires approval of the members of the Company by way of a special resolution.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 1 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution, except Shri Suresh Rangachar, Director of the Company serving as Executive Director of RITL and Prof. J. Ramachandran, Shri R. N. Bhardwaj and Ms. Chhaya Virani, Independent Directors of the Company also serving as Independent Directors of RITL and to the extent of Directors, Key Managerial Personnel and their relatives shareholding in the Company, if any.

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