RELIANCE JIO INFOCOMM LIMITED

Registered Office: Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006
CIN: U72900GJ2007PLC105869
Tel : +91 079 3560 0100 | Website : www.jio.com | Email : Jio.InvestorRelations@ril.com

NOTICE OF MEETING OF THE PREFERENCE SHAREHOLDERS OF RELIANCE JIO INFOCOMM LIMITED CONVENED PURSUANT TO ORDER DATED 11TH JANUARY, 2019 PASSED BY THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

MEETING:

Day	Monday
Date	18th February, 2019
Time	12:30 p.m. or immediately after conclusion of the meeting of the unsecured creditors
Venue	Babubhai Chinai Committee Room, 2nd Floor, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020

FORM NO. CAA 2
IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH
CA (CAA) NO. 10 OF 2019

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST RELIANCE JIO INFOCOMM LIMITED AND JIO DIGITAL FIBRE PRIVATE LIMITED AND RELIANCE JIO INFRATEL PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Reliance Jio Infocomm Limited,

(CIN: U72900GJ2007PLC105869) a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006

Applicant Company / Demerged Company / Transferor Company

NOTICE CONVENING THE MEETING OF THE PREFERENCE SHAREHOLDERS OF THE APPLICANT COMPANY PURSUANT TO THE ORDER DATED 11TH JANUARY, 2019 PASSED BY THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

To,

The preference shareholders of Reliance Jio Infocomm Limited (**"Company"**).

Notice is hereby given that by an Order dated 11th January, 2019, the National Company Law Tribunal, Ahmedabad Bench (**"NCLT"**) has directed a meeting to be held of the preference shareholders of the Applicant Company, for the purpose of considering, and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement amongst Reliance Jio Infocomm Limited and Jio Digital Fibre Private Limited and Reliance Jio Infratel Private Limited and their respective shareholders and creditors (**"Scheme"**).

In pursuance of the said Order and as directed therein, a meeting of the preference shareholders of the Company will be held at Babubhai Chinai Committee Room, 2nd Floor, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 on Monday, 18th February, 2019 at 12:30 p.m. or immediately after conclusion of the meeting of the unsecured creditors and the said preference shareholders of the Company are requested to attend and to consider and, if thought fit, approve with or without modification(s), the following resolution under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 with requisite majority:

"RESOLVED THAT *pursuant to the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("***NCLT***") 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 NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "***Board***"), the arrangement embodied in the Composite Scheme of Arrangement amongst Reliance Jio Infocomm Limited and Jio Digital Fibre Private Limited and Reliance Jio Infratel Private Limited and their respective shareholders and creditors ("***Scheme***"), 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 it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT 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 questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a form of proxy in the prescribed format, signed by you or your authorised representatives, is deposited with the registered office of the Applicant Company at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 not later than 48 (forty-eight) hours before the commencement of the meeting. The form of proxy can also be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and of the Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006.

The NCLT has appointed Shri Adil Zainulbhai or in his absence, Shri Ketan Dalal to be the Chairperson of the said Meeting including for any adjournment or adjournments thereof. The above Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the NCLT.

A copy of the Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-
Adil Zainulbhai
(DIN: 06646490)
Chairperson appointed for the Meeting

Place: Mumbai
Date: 12th January, 2019
Registered Office: Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006

Notes:

1. The Board of Directors of the Applicant Company at its meeting held on 11th December, 2018 had approved the Scheme, subject to the sanction of the NCLT and of such other authorities as may be necessary.
2. Only preference shareholders of the Company may attend and vote either in person or by proxy (a proxy need not be a preference shareholder of the Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the preference shareholders of the Company. The authorised representative of a body corporate which is a preference shareholder of the Company may attend and vote at the meeting of the preference shareholders of the Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the preference shareholders of the Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate, is deposited at the registered office of the Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the preference shareholders of the Company.

   As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) preference shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Preference shareholders holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other preference shareholder
3. This Notice is being sent to the all preference shareholders, whose names appear in the register of members as on 31st December, 2018. Copies of the Notice are being sent to the preference shareholders by permitted mode.
4. A preference shareholder or his/ her proxy is requested to bring the copy of the Notice to the Meeting and produce the Attendance Slip, duly completed and signed, at the entrance of the Meeting venue.
5. The form of proxy can be obtained free of charge from the registered office of the Company.
6. All alterations made in the form of proxy should be initialled.
7. The quorum of the Meeting is 5 (five) persons present in person.
8. A preference shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly filled-in and signed.
9. The preference shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
10. The preference 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 Applicant Company in respect of such joint holding, will be entitled to vote.
11. As directed by NCLT, the Scrutinizer for Meeting shall be Shri Anil Lohia, Partner, failing him Shri Rinkit Uchat, Partner, of M/s. Dayal and Lohia, Chartered Accountants, to scrutinize votes cast at the venue of the Meeting and submit a report on votes cast, to the Chairperson of the Meeting within 48 hours from the conclusion of the Meeting.
12. The Scrutinizer shall after the conclusion of the Meeting submit the Scrutinizer's Report of the total votes cast in favour of or against the resolution and invalid votes, to the Chairperson of the Meeting, who shall countersign the same and declare the result of the voting forthwith.
13. The result declared along with Scrutinizer's Report will be displayed on the website and notice board of the Company.
14. The documents referred to in the Statement under Sections 230 (3), 232 (1) and (2) and 102 of the Companies Act, 2013 and read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, annexed herewith will be available for inspection by the preference shareholders at the registered office of the Company from 10.00 a.m. till 6.00 p.m. on all business working days (i.e. except Saturdays, Sundays and Public Holidays), up to the date of the Meeting.

IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

CA (CAA) NO. 10 OF 2019

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE SCHEME OF ARRANGEMENT AMONGST RELIANCE JIO INFOCOMM LIMITED AND JIO DIGITAL FIBRE PRIVATE LIMITED AND RELIANCE JIO INFRATEL PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Reliance Jio Infocomm Limited, (CIN: U72900GJ2007PLC105869), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006	**Applicant Company / Demerged Company / Transferor Company**

STATEMENT UNDER SECTIONS 230 (3), 232 (1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 AND READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 11th January, 2019, passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench **("NCLT")**, in CA (CAA) No. 10 of 2019 **("Order")**, a meeting of the preference shareholders of Reliance Jio Infocomm Limited ("**Company**" or "**Demerged / Transferor Company**" or "**Demerged Company**" or "**Transferor Company**" or "**Applicant Company**") is being convened at Babubhai Chinai Committee Room, 2nd Floor, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, on Monday, the 18th day of February, 2019 at 12:30 p.m. or immediately after conclusion of the meeting of the unsecured creditors for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement amongst Reliance Jio Infocomm Limited and Jio Digital Fibre Private Limited and Reliance Jio Infratel Private Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 **("Scheme")**.
2. This is the Statement accompanying the Notice convening the Meeting of the preference shareholders of the Applicant Company.
3. A copy of the Scheme setting out in detail the terms and conditions that has been approved by the Board of Directors of Demerged / Transferor Company, Resulting Company and Transferee Company at their respective Board Meetings is annexed to this Notice as **Annexure A** and forms part of this Statement. The Scheme as approved by the Board of Directors has been filed with the Registrar of Companies.
4. **Background:**

    4.1 **Details of the Demerged/ Transferor Company:**

    a) The Demerged/ Transferor Company is a public company and was incorporated on 15th day of February, 2007 under the provisions of Companies Act, 1956. The registered office of the Demerged/ Transferor Company was shifted from Mumbai, Maharashtra to Ahmedabad, Gujarat with effect from 31st December, 2018. The Demerged/ Transferor Company has the following undertakings: (a) digital services undertaking; (b) optic fibre cable undertaking; and (c) tower infrastructure undertaking.

    b) Corporate Identity Number (CIN): U72900GJ2007PLC105869

    c) Permanent Account Number (PAN): AABCI6363G

    d) Registered Office: Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006

    e) E-mail address: Jio.InvestorRelations@ril.com

    f) The equity shares of the Demerged/ Transferor Company are not listed on any stock exchanges in India or elsewhere. The non-convertible debentures of the Demerged/ Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

    g) The relevant main objects of the Demerged/ Transferor Company as set out in its Memorandum of Association are as follows:

    1. *To provide and to operate fixed line, cellular, wireless loop limited mobility and such other telecommunication services, internet services, broadband services, ISDN services, leased line services, VSAT services, to design, develop, install, maintain, operate long distance domestic and international telecommunications, electronic mail services, globally managed data networks, data telecom networks, video conferencing, international gateway networks, international bandwidth access and to provide data transmission, telecom and information-technology enabled and related services, including but not limited to Call Centers, Business Process Outsourcing Services, Customer Care Centers, Customer Relationship Management, Back Office Processing, Data Entry Medical Transcription, etc.*
    2. *To carry on the business of developing, designing, buying, selling, upgrading, integrating, importing, exporting, distributing, setting up, operating and maintaining the networks / gateways for the purpose of providing internet and connected services, providing all types of electronic commerce services and related products and applications including dealing in all types of hardware and software including multimedia and information technology software and related applications and to act as agents, representatives, hirers and franchisee in above connection.*
    3. *To operate direct to home television services, providing satellite channels, content provision, setting up and operating teleport, hiring satellite transponders, procuring software for programmes on satellite channels, entering into contracts with content providers, hardware vendors for supply of dish antennas and set-top boxes, encryption technology providers, system integrators, creating gateway for international bandwidth via satellite, setting up content storage system with inventory management software and play out facilities for unlinking to the satellite, to acquire, create, aggregate and syndicate contents for different platforms of broadcast and consumer application including satellite channels, cable channels, mobile platforms, broadband services, web based services, radio stations, digital TV and IP TV, in both audio and audio visual, animation and graphic formats, set up infrastructure mobile/static for telecasting live events or programmes from any outdoor location within the country upto the studios, to set up studios for recording and telecasting/broadcasting various studio based programmes at different locations in the areas of operations to launch satellite, cable and web based channels.*

4. *To carry on the business as service providers, operators, agents, renters, hirers and distributors of Cable Television Network and all other connected services including providing the data transmission services, internet services and other connected services through cable or by other means.*
5. *To carry on all or any of the business of manufacturers, designers, consultants, exporters, importers, buyers, sellers, hirers, renters, repairers, distributors, agents and dealers in all types of telecommunication instruments including wireless telephones, cellular mobile phones and services, satellite commercial equipment like V-Sat, microwave communication, paging, hand held terminals telephone systems, electronic switches and exchanges, antennas, satellite dishes, radios, devices, accessories, appliances, materials and requisites, of every kind whereby sound or vision is recorded, amplified, produced, reproduced, transmitted or received by the use or aid of electricity. To carry on the business of electrical, telecommunications, computer, radio electronics, consulting engineers mechanics, fitters, mill wrights, founders, rod millers, machinists, tool makers, wire drawers, galvanisers, japanners, electroplaters, enamellers and painters, suppliers of telephone, telegraph, radio, railway, signaling and facsimile equipment and apparatus electric, magnetic, galveric and other apparatus in India or in any part of the world.*

h) There has been no change in the name and objects of the Demerged/ Transferor Company during the last five years.

i) The authorised, issued, subscribed and paid-up share capital of the Demerged/ Transferor Company as on 31st December, 2018 is as under:

Particulars	INR
Authorised Share Capital	
5700,00,00,000 equity shares of INR 10 each	57000,00,00,000
1313,00,00,000 preference shares of INR 10 each	13130,00,00,000
Total	**70130,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
4500,00,00,000 equity shares of INR 10 each	45000,00,00,000
12,50,00,000 0.1% non-cumulative optionally convertible preference shares of INR 10 each (Series-I)	125,00,00,000
300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II)	3000,00,00,000
600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III)	6000,00,00,000
400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV)	4000,00,00,000
Total	**58125,00,00,000**

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged/ Transferor Company till date of this notice.

j) Names of the promoters and directors along with their addresses:

Details of Promoters

Name of the Promoter	Address
Reliance Industries Limited	3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai – 400021, Maharashtra, India

Details of Directors

Name of the Director	Designation	Address	Director Identification Number (DIN)
Shri Mukesh Dhirubhai Ambani	Chairman	39, Altamount Road, Mumbai 400026, Maharashtra, India	00001695
Shri Manoj Harjivandas Modi	Director	10A/B, Building 26, Sudhakar CHSL, Narayan Dabholkar Road, Mumbai – 400006, Maharashtra, India	00056207
Shri Akash Mukesh Ambani	Director	39, Altamount Road, Mumbai 400026, Maharashtra, India	06984194
Ms. Isha Mukesh Ambani	Director	39, Altamount Road, Mumbai 400026, Maharashtra, India	06984175
Shri Sanjay Mashruwala	Managing Director	A1, Beach House, Gandhigram Road, Juhu, Mumbai – 400049, Maharashtra, India	01259774
Shri Mathew Oommen	Director	2293 Sleepy Hollow Trail, Frisco, 75033, United States of America	07176548
Shri Pankaj Mohan Pawar	Director	302, Archana Saurabh, Plot No. 20, Sector 7, Koparkhairane, Navi Mumbai 400709 Maharashtra, India	00085077
Shri Kiran Mathew Thomas	Director	77-A, Nandanvan CHS, Sector – 17, Nerul, Navi Mumbai 400706, Maharashtra, India	02242745
Shri Mahendra Nahata	Director	W – 48, Greater Kailash – II, New Delhi – 110048, Delhi, India	00052898

Name of the Director	Designation	Address	Director Identification Number (DIN)
Shri Adil Zainulbhai	Independent Director	The Imperial Apartment, Flat No. 4701, B Nakashe Marg, Tardeo, Mumbai 400 034, Maharashtra, India	06646490
Prof Dipak Chand Jain	Independent Director	915, Hamlin Street Evanston, Illinois, 60201, United States of America	00228513
Prof. Mohanbir Singh Sawhney	Independent Director	1327, Church Street, Evanston, Illinois, 60201, United States of America	07136864
Shri Ranjit Vasant Pandit	Independent Director	Darbhanga Mansion, Flat No. 01, 12 Carmichael Road, Mumbai-400026, Maharashtra, India	00782296
Shri Shumeet Banerji	Independent Director	160 W 62, Floor 42, Apt. 42C, Manhattan, New York 10023-7540, United States of America	02787784

4.2 **Details of Jio Digital Fibre Private Limited ("Resulting Company"):**

a) The Resulting Company is a private company and was incorporated on 17th December, 2018 under the provisions of Companies Act, 2013. The Resulting Company has been incorporated to carry on the business of operating and managing optic fibre cable undertaking.

b) Corporate Identity Number (CIN): U64200GJ2018PTC105652

c) Permanent Account Number (PAN): AAECJ4213B

d) Registered Office: Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006.

e) E-mail address: Jio.InvestorRelations@ril.com

f) The equity shares of the Resulting Company are not listed on any stock exchanges in India or elsewhere.

g) The relevant main objects of the Resulting Company as set out in its Memorandum of Association are as follows:

1. *To carry on in India as well as outside India, the business of designing, planning, establishing, operating, maintaining and managing passive infrastructure assets for telecommunication business including but not limited to towers, fibre, right of way and duct space and providing the same on lease or rental or indefeasible right to use basis to third parties including licensees of telecom services by taking required licenses / registrations under applicable law including Infrastructure Provider Category – I (IP-1) either on its own or in alliance with any other entity including but not limited to Person/Body/Bodies Corporate either under a strategic alliance or Joint Venture or any other arrangement.*

2. *To provide a broad range of network planning, installation, optimization, development and maintenance services, including but not limited to hardware, middleware and software design, site acquisition, zoning and other regulatory approvals, tower, dark fiber and duct space construction, duct laying and antennae installation either on its own or in alliance with any other entity including but not limited to Person/Body/Bodies Corporate incorporated in India or outside of India either under a strategic alliance or Joint Venture or any other arrangement.*

3. *To carry on in India or abroad, either on its own or in alliance with any other person, firm, trust, company, body(ies) corporate incorporated in India or abroad, either under strategic alliance or joint venture or any other arrangement, the business of setting up, acquiring, holding / investing in and promoting various ventures relating to internet based services including but not limited to offering international and domestic voice, voice-over-internet protocol (VOIP), broadband internet, wireless, data and hosting services to business and residential retail customers and other carriers and to apply and obtain licenses to carry on these objects.*

h) There has been no change in the name, registered office and objects of the Resulting Company since incorporation.

i) The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 31st December, 2018 is as under:

Particulars	INR
Authorised Share Capital	
1,00,000 equity shares of INR 10 each	10,00,000
Total	**10,00,000**
Issued, Subscribed and Paid-up Share Capital	
10,000 equity shares of INR 10 each	1,00,000
Total	**1,00,000**

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Resulting Company till date of this notice.

j) Names of the promoters and directors along with their addresses:

Details of Promoters

Name of the Promoter	Address
Digital Media Distribution Trust as promoter, through Reliance Media Transmission Private Limited, Trustee (Ultimate benefical owner - Reliance Industries Limited).	9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai – 400021, Maharashtra, India

Details of Directors

Name of the Director	Designation	Address	Director Identification Number (DIN)
Shri Laxmidas V. Merchant	Director	Ramkrupa Tower, Block No. 92, Dr. Parekh Street, Prathana Samaj, Mumbai- 400004	00007722
Ms. Geeta Kalyandas Fulwadaya	Director	E-51, Jharokha-II, Kalpataru Vatika, Akurli Road, Opp. E.S.I.S. Hospital, Kandivali (E) Mumbai 400101	03341926

4.3 **Details of Reliance Jio Infratel Private Limited ("Transferee Company"):**

a) The Transferee Company is a private company and a wholly owned subsidiary of a public company. It was incorporated on 18th January, 2013 under the provisions of the Companies Act, 1956. The registered office of the Transferee Company was shifted from Mumbai, Maharashtra to Ahmedabad, Gujarat with effect from 31st December, 2018. The Transferee Company shall carry on the business of operating and managing tower infrastructure undertaking.

b) Corporate identity number (CIN): U64200GJ2013PTC105870

c) Permanent Account Number (PAN): AAGCR2798R

d) Registered office: Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006

e) E-mail address: Jio.InvestorRelations@ril.com

f) The equity shares of the Transferee Company are not listed on any stock exchanges in India or elsewhere.

g) The relevant main objects of the Transferee Company as set out in its Memorandum of Association are as follows:

1. *To carry on in India as well as outside India, the business of designing, planning, establishing, operating, maintaining and managing passive infrastructure assets for telecommunication business including but not limited to towers, fibre, right of way and duct space and providing the same on lease or rental or indefeasible right to use basis to third parties including licensees of telecom services by taking required licenses / registrations under applicable law including Infrastructure Provider Category – I (IP-1) either on its own or in alliance with any other entity including but not limited to Person/Body/Bodies Corporate either under a strategic alliance or Joint Venture or any other arrangement.*

2. *To provide a broad range of network planning, installation, optimization, development and maintenance services, including but not limited to hardware, middleware and software design, site acquisition, zoning and other regulatory approvals, tower, dark fiber and duct space construction, duct laying and antennae installation either on its own or in alliance with any other entity including but not limited to Person/Body/Bodies Corporate incorporated in India or outside of India either under a strategic alliance or Joint Venture or any other arrangement.*

h) The objects of the Transferee Company were last modified on 16th April 2018. The said change is highlighted in the Memorandum of Association of the Transferee Company, the copies of which are available for inspection.

i) The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31st December, 2018 is as under:

Particulars	INR
Authorised Share Capital	
10,00,000 equity shares of INR 10 each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid Up Capital	
10,00,000 equity shares of INR 10 each	1,00,00,000
Total	1,00,00,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company till the date of this notice.

j) Names of the promoters and directors along with their addresses:

Details of Promoters

Name of the Promoter	Address
Reliance Industrial Investments and Holdings Limited (a wholly owned subsidiary of Reliance Industries Limited)	9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai – 400021, Maharashtra, India

Details of Directors

Name of the Director	Designation	Address	Director Identification Number (DIN)
Shri Sanjay Mashruwala	Director	A 1, Beach House Gandhigram Road, Juhu, Mumbai 400049	01259774
Shri Kiran Mathew Thomas	Director	77-A, Nandanvan Co-Op Housing Society, Sector-17, Nerul-E, Navi Mumbai 400706	02242745
Ms. Thriveni Shetty	Director	24/B Giridarshan Coop Hsg Soc, L B S Marg, Near Johnson & Johnson, Mulund, Mumbai 400080	07847098
Shri Dhirendra Harilal Shah	Independent Director	A-201, Kailash Tower, R.N. Narkar Marg Vallabh Baug Lane, Ghatkopar (East), Mumbai 400077	00004616
Shri Jagmohanlal Bhamri	Independent Director	Aptt.803, Tower-A, Ashok Towers, Dr Babasaheb Ambedkar Road, Parel, Mumbai 400012	07169306

5. **Name of the directors who voted in favour of the above resolution, who voted against the resolution and who did not vote or participate in such resolution is as follows:**

(a) **Demerged/ Transferor Company**

Name of the Directors	Designation	Voted in Favour / Against / Abstained
Shri Mukesh Dhirubhai Ambani	Chairman	Voted in Favour
Shri Manoj Harjivandas Modi	Director	Voted in Favour
Shri Akash Mukesh Ambani	Director	Voted in Favour
Ms. Isha Mukesh Ambani	Director	Voted in Favour
Shri Sanjay Mashruwala	Managing Director	Voted in Favour
Shri Mathew Oommen	Director	Voted in Favour
Shri Pankaj Mohan Pawar	Director	Voted in Favour
Shri Kiran Mathew Thomas	Director	Voted in Favour
Shri Mahendra Nahata	Director	Voted in Favour
Shri Adil Zainulbhai	Independent Director	Voted in Favour
Prof Dipak Chand Jain	Independent Director	Voted in Favour
Prof. Mohanbir Singh Sawhney	Independent Director	Voted in Favour
Shri Ranjit Vasant Pandit	Independent Director	Voted in Favour
Shri Shumeet Banerji	Independent Director	Voted in Favour

(b) **Resulting Company**

Name of the Directors	Designation	Voted in Favour / Against / Abstained
Shri Laxmidas V. Merchant	Director	Voted in Favour
Ms. Geeta Kalyandas Fulwadaya	Director	Voted in Favour

(c) **Transferee Company**

Name of the Directors	Designation	Voted in Favour / Against / Abstained
Shri Sanjay Mashruwala	Director	Voted in Favour
Shri Kiran Mathew Thomas	Director	Voted in Favour
Ms. Thriveni Shetty	Director	Voted in Favour
Shri Dhirendra Harilal Shah	Independent Director	Voted in Favour
Shri Jagmohanlal Bhamri	Independent Director	Voted in Favour

6. **Rationale of the Scheme**

(i) The Demerged/ Transferor Company has *inter alia* the digital services undertaking, the optic fibre cable undertaking and the tower infrastructure undertaking.

(ii) Each of the above undertakings have a differentiated strategy, different industry specific risks and operate *inter alia* under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from the others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.

(iii) The transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) and the Transferred Undertaking (*as defined in the Scheme*) from the Demerged/ Transferor Company to the Resulting Company and the Transferee Company respectively, pursuant to the Scheme would, *inter alia*, result in the following benefits for the Demerged/ Transferor Company and the Resulting Company and the Transferee Company:

(a) segregation and unbundling of the optic fibre cable undertaking and tower infrastructure undertaking of the Demerged/ Transferor Company into the Resulting Company and the Transferee Company respectively, will enable enhanced focus by the Demerged/ Transferor Company, Resulting Company and the Transferee Company on exploiting opportunities in their respective businesses;

(b) operating as separate businesses which are capable of providing services to third-parties;

(c) attracting different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the respective businesses;

(d) assisting in the de-leveraging of the balance sheet of the Demerged/ Transferor Company including reduction of debt and outflow of interest as well as creation of value for its shareholders; and

(e) unlocking the value of the optic fibre cable undertaking and tower infrastructure undertaking for the shareholders of the Demerged/ Transferor Company.

(iv) The Preference Shares (*as defined in the Scheme*) issued by the Demerged/ Transferor Company are either redeemable or convertible at the option of the Demerged/ Transferor Company. The Demerged/ Transferor Company has now decided that the Preference Shares, which have financed the creation of the assets of various undertakings of the Demerged/ Transferor Company, will not be converted into equity shares. In terms of the Scheme, the Preference Share Capital (*as defined in the Scheme*) and the Securities Premium (*as defined in the Scheme*) is proposed to be reduced such that there is a constructive receipt of an identical amount as loan from the preference shareholders to the Demerged/ Transferor Company.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Demerged/ Transferor Company, the Resulting Company and the Transferee Company.

7. **Description of the Scheme**

A. The Scheme provides for the following:

a) Reduction of Preference Share Capital and Securities Premium of the Demerged/ Transferor Company;

b) Demerger of the Demerged Undertaking from the Demerged Company as a going concern to Resulting Company and discharge of consideration in lieu thereof; and

c) Transfer and vesting of the Transferred Undertaking from the Transferor Company as a going concern into the Transferee Company and discharge of consideration in lieu thereof.

B. The salient features of the Scheme are as follows:

a) Appointed Date for the Scheme means close of business hours of 31st March 2019 or such other date as may be approved by the NCLT and agreed to by the board of directors of the companies;

b) Effective Date means the day on which Scheme is approved by the NCLT or the Appointed Date, whichever is later. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date;

c) The Scheme provides for:

i. cancellation of the Preference Shares by way of reduction of the Preference Share Capital and the Securities Premium such that there will be constructive payment to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company for the purpose of refinancing part of the expenditure incurred in respect of the optic fibre cable undertaking to the extent of INR 45342,00,00,000 ("**Loan 1**"), the tower infrastructure undertaking to the extent of INR 11836,00,00,000 ("**Loan 2**") and in respect of other businesses to the extent of INR 7822,00,00,000 ("**Loan 3**");

ii. demerger of the Demerged Undertaking from the Demerged Company and its transfer to and vesting into the Resulting Company on a going concern basis and discharge of consideration in lieu thereof; and

iii. transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company on a going concern basis and discharge of lump sum consideration in lieu thereof.

8. **Consideration under the Scheme**

For demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company

Upon the Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking and subject to the provisions of the Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument issue and allot on a proportionate basis:

(i) to each equity shareholder of the Demerged Company whose name is recorded in the register of members on the Effective Date:

(a) 1 (One) fully paid-up Resulting Company Class 'A' Equity Share (*as defined in the Scheme*) of the Resulting Company for every 9 (Nine) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;

and

(b) 1 (One) fully paid-up Resulting Company Class 'B' Equity Share (*as defined in the Scheme*) of the Resulting Company for every 175 (One Hundred and Seventy Five) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company.

(ii) to the holder of Remaining Preference Shares (*as defined in the Scheme*) whose name is recorded in the register of members on the Effective Date

(c) 1 (One) fully paid-up redeemable preference share of the Resulting Company of INR 10 (Indian Rupee Ten) each for every 100 (One Hundred) fully paid-up Remaining Preference Shares.

For transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company

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 the Scheme, the Transferee Company shall, in accordance with the terms of the Scheme and without any further application, act, deed, payment, consent or instrument discharge a lump sum consideration by way of issuance of 200,00,00,000 (Two Hundred Crore) fully paid up Transferee Company Class 'A' Equity Shares (*as defined in the Scheme*) and 5,00,00,000 (Five Crore) fully paid up Transferee Company Class 'B' Equity Shares (*as defined in the Scheme*), in each case to the Transferor Company.

Summary of basis of consideration for transfer and vesting of Demerged Undertaking and Transferred Undertaking

The Board of Directors of the respective companies have recommended (i) shares to be issued by the Resulting Company to the shareholders of the Demerged Company in consideration for the demerger of the Demerged Undertaking; and (ii) shares to be issued by the Transferee Company to the Transferor Company as consideration for the transfer of the Transferred Undertaking. M/s Devesh Vasavada & Co., independent Chartered Accountants have certified that the abovementioned share issue in (i) above, is fair and reasonable considering that all the shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company in the same ratio (inter-se) as they hold shares in the Demerged Company; and in (ii) above, is fair and reasonable since the Transferor Company will be the only shareholder of the Transferee Company entitled to economic benefits.

NOTE: THE FEATURES/ DETAILS SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE PREFERENCE SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY AQUAINTED WITH THE PROVISIONS THEREOF.

9. The Demerged/ Transferor Company, Resulting Company and Transferee Company have filed a joint application before the NCLT on 7th January, 2019 for the sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013;

10. Supplementary accounting statement of the Demerged/ Transferor Company and Transferee Company for the period ended 30th September, 2018 and of the Resulting Company for the period ended 31st December, 2018 are enclosed as **Annexure C-I to C-III** respectively.

11. Amounts due to unsecured creditors as on 31st December, 2018:

Demerged/ Transferor Company	
Number	**Amount (INR in crore)**
18,642	166,294.97

Resulting Company	
Number	**Amount (INR in crore)**
NIL	NIL

Transferee Company	
Number	**Amount (INR in crore)**
NIL	NIL

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

A. Key Managerial Personnel (KMPs) and Directors

There will be no impact of the Scheme on the KMPs and the Directors of the Company.

B. Promoter and Non-Promoter shareholders of the Demerged/ Transferor Company, Resulting Company and Transferee Company

In compliance with the provisions of Section 232(2)(c) of the Company Act, 2013 the Board of Directors of the Demerged/ Transferor Company, Resulting Company and Transferee Company in their respective meetings held on 11th December, 2018, 4th January, 2019 and 2nd January, 2019 respectively have adopted a report, *inter alia*, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Demerged/ Transferor Company, Resulting Company and Transferee Company are enclosed as **Annexure B-I to B-III** respectively.

C. Depositors

Neither of the Demerged/ Transferor Company, Resulting Company and Transferee Company have accepted any deposits.

D. Creditors, Debenture-Holders and Debenture Trustees

The proposed Scheme does not involve any compromise or arrangement with the creditors, debenture holders or debenture trustee. The rights of the creditors, debenture holders or debenture trustee shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme and will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

E. Employees

On the Scheme becoming effective, all the employees of the Demerged / Transferor Company engaged in the Remaining Business (*as defined in the Scheme*) shall continue with their employment, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date.

Upon the effectiveness of the Scheme and with effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged/ Transferor Company, engaged in or in relation to the Demerged Undertaking, on terms and conditions not less favourable than those on which they are engaged by the Demerged/ Transferor Company.

Upon the effectiveness of the Scheme and with effect from the Effective Date, the Transferee Company undertakes to engage, without any interruption in service, all employees of the Transferor Company, engaged in or in relation to the Transferred Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company.

13. **Material interest of the Directors, KMPs and debenture trustee in the Scheme**

None of the Directors, KMPs (as defined under the Companies Act, 2013 and rules framed thereunder) of the Demerged/ Transferor Company, Resulting Company and Transferee Company and their respective relatives (as defined under the Companies Act, 2013 and rules framed thereunder) have any interest in the Scheme except to the extent that the said Director(s) are common director(s) of the said companies. Save as aforesaid, none of the said Directors or the KMPs has any material interest in the Scheme.

The Debenture Trustee of the Demerged / Transferor Company has no interest in the scheme.

14. **Investigation or proceedings, if any, pending against the Company under the Companies Act, 2013**

No investigation proceedings have been instituted or are pending in relation to the Demerged/ Transferor Company under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. Further, no proceedings are pending under the Companies Act, 2013 or under the corresponding provisions of Companies Act, 1956 against any of the aforementioned companies.

To the knowledge of the Demerged/ Transferor Company no winding up proceedings have been filed or are pending against them under the Companies Act, 2013 or the corresponding provisions of the Companies Act, 1956.

15. **Details of Approvals/ Sanctions/ No-Objections, if any, from Regulatory or any Governmental Authorities required, received or pending for the proposed Scheme: -**

Notice under Section 230(5) of the Companies Act, 2013 is being given to SEBI, the Central Government through the office of the Regional Director, Registrar of Companies, Income Tax Authorities and the concerned regulatory authorities.

16. The following documents will be open for inspection for the preference shareholders of the Demerged/ Transferor Company at its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 between 10.00 a.m. to 6.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) up to the date of the meeting:

    i. Copy of the annual reports of Demerged/ Transferor Company and Transferee Company for the financial year ended 31st March 2018;

    ii. Copy of the order passed by NCLT in CA (CAA) No. 10 of 2019, dated 11th January, 2019 directing the Demerged/ Transferor Company to, *inter alia*, convene the meetings of its preference shareholders;

    iii. Copy of the Scheme;

    iv. Fairness opinion dated 11th December, 2018 issued by M/s Devesh Vasavada & Co, Independent Chartered Accountants, taken on record by the Board of Directors of Demerged/ Transferor Company, Resulting Company and Transferee Company at their respective Board Meetings whilst approving the Scheme; and

    v. Copy of the Statutory Auditors' certificate of the Demerged/ Transferor Company, Resulting Company and Transferee Company, all dated 5th January, 2019 issued by their respective Statutory Auditors, to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

17. This statement may be treated as Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme, Statement and Form of Proxy shall be furnished by the Demerged/ Transferor Company to its preference shareholders, free of charge, within one (1) working day (except Saturdays, Sundays and Public Holidays) on a requisition being so made for the same by the preference shareholders of the Demerged/ Transferor Company.

18. After the Scheme is approved by the preference shareholders of the Demerged/ Transferor Company, it will be subject to the approval/ sanction by NCLT.

Dated this 12th day of January, 2019

Sd /-
Adil Zainulbhai
(DIN: 06646490)
Chairperson appointed for the Meeting

Registered office: Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006

ANNEXURE - A

COMPOSITE SCHEME OF ARRANGEMENT
AMONGST
RELIANCE JIO INFOCOMM LIMITED
AND
JIO DIGITAL FIBRE PRIVATE LIMITED
AND
RELIANCE JIO INFRATEL PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

A. BACKGROUND OF THE COMPANIES

(i) Reliance Jio Infocomm Limited is a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 (hereinafter referred to as the "**Demerged Company**" or "**Transferor Company**" or "**Demerged/ Transferor Company**"). The Demerged/ Transferor Company *inter alia* has the following undertakings: (a) digital services undertaking; (b) optic fibre cable undertaking; and (c) tower infrastructure undertaking. The non-convertible debentures of the Demerged/ Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

(ii) Jio Digital Fibre Private Limited is a company incorporated under the provisions of the Companies Act, 2013, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 (hereinafter referred to as the "**Resulting Company**"). The Resulting Company has been incorporated to carry on the business of setting up, operating and managing the optic fibre cable undertaking.

(iii) Reliance Jio Infratel Private Limited is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 (hereinafter referred to as the "**Transferee Company**"). The Transferee Company shall carry on the business of setting up, operating and managing the tower infrastructure undertaking.

B. RATIONALE OF THE SCHEME

(i) The Demerged/ Transferor Company has *inter alia* the digital services undertaking, the optic fibre cable undertaking and the tower infrastructure undertaking.

(ii) Each of the above undertakings have a differentiated strategy, different industry specific risks and operate *inter alia* under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from the others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.

(iii) The transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) and the Transferred Undertaking (*as defined hereinafter*) from the Demerged/ Transferor Company to the Resulting Company and the Transferee Company respectively, pursuant to this Scheme (*as defined hereinafter*) would, *inter alia*, result in the following benefits for the Demerged/ Transferor Company and the Resulting Company and the Transferee Company:

   (a) segregation and unbundling of the optic fibre cable undertaking and tower infrastructure undertaking of the Demerged/ Transferor Company into the Resulting Company and the Transferee Company respectively, will enable enhanced focus by the Demerged/ Transferor Company, Resulting Company and the Transferee Company on exploiting opportunities in their respective businesses;

   (b) operating as separate businesses which are capable of providing services to third-parties;

   (c) attracting different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the respective businesses;

   (d) assisting in the de-leveraging of the balance sheet of the Demerged/ Transferor Company including reduction of debt and outflow of interest as well as creation of value for its shareholders; and

   (e) unlocking the value of the optic fibre cable undertaking and tower infrastructure undertaking for the shareholders of the Demerged/ Transferor Company.

(iv) The Preference Shares (*as defined hereinafter*) issued by the Demerged/ Transferor Company are either redeemable or convertible at the option of the Demerged/ Transferor Company. The Demerged/ Transferor Company has now decided that the Preference Shares (*as defined hereinafter*), which have financed the creation of the assets of various undertakings of the Demerged/ Transferor Company, will not be converted into equity shares. In terms of the Scheme, the Preference Share Capital (*as defined hereinafter*) and the Securities Premium (*as defined hereinafter*) is proposed to be reduced such that there is a constructive receipt of an identical amount as loan from the preference shareholders to the Demerged/ Transferor Company.

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Demerged/ Transferor Company, the Resulting Company and the Transferee Company.

C. OVERVIEW AND OPERATION OF THE SCHEME

The composite scheme of arrangement ("**Scheme**") amongst the Demerged/ Transferor Company, the Resulting Company and the Transferee Company and their respective shareholders and creditors is presented under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*).

This Scheme provides for:

(i) cancellation of the Preference Shares and reduction of the Preference Share Capital and the Securities Premium such that there will be constructive payment to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company for the purpose of refinancing part of the expenditure incurred in respect of the optic fibre cable undertaking to the extent of INR 45342,00,00,000 ("**Loan 1**"), the tower infrastructure undertaking to the extent of INR 11836,00,00,000 ("**Loan 2**") and in respect of other businesses to the extent of INR 7822,00,00,000 ("**Loan 3**");

(ii) demerger of the Demerged Undertaking from the Demerged Company and its transfer to and vesting into the Resulting Company on a *going concern* basis and discharge of consideration in lieu thereof; and

(iii) transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company on a *going concern* basis and discharge of lump sum consideration in lieu thereof.

D. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

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

(ii) **Part II** deals with the reduction of Preference Share Capital and Securities Premium of the Demerged/ Transferor Company;

(iii) **PART III** deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company as a *going concern* into the Resulting Company and discharge of consideration in lieu thereof, in compliance with Section 2(19AA) of Income Tax Act;

(iv) **PART IV** deals with the transfer and vesting of the Transferred Undertaking from the Transferor Company as a *going concern* into the Transferee Company and discharge of consideration in lieu thereof; and

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

PART I
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Laws; and (iii) the following expressions shall have the meanings ascribed hereunder:

"**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;

"**Appointed Date**" means close of business hours of 31 March 2019 or such other date as may be approved by the Tribunal and agreed to by the Board of the Parties;

"**Applicable Law**" or "**Law**" means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

"**Appropriate Authority**" means:

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

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

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

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

"**Demerged Company**" or "**Transferor Company**" or "**Demerged/ Transferor Company**" means Reliance Jio Infocomm Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006;

"**Demerged Undertaking**" means all of the optic fibre cable undertaking and ancillary and support services together with all business units, undertakings, assets, properties, investments (direct and indirect), and liabilities of whatsoever nature and kind, and wherever situated, of the Demerged Company, in relation to and pertaining to the optic fibre cable undertaking and shall include without limitation:

(a) all assets and liabilities of the Demerged Company pertaining to the optic fibre cable undertaking and includes, without limitation, any and all optic fibre cable and related infrastructure being laid. For the avoidance of doubt, it is clarified that the last mile connectivity infrastructure from the manhole to any node (such as customer node, enterprise node and telecom service provider node) will not form part of the optic fibre cable undertaking;

(b) without prejudice to the generality of the provisions of (a) above, the Demerged Undertaking shall include:

(i) all properties and assets of the Demerged Company, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, but not limited to optical fibre cables, high density polyethylene duct, inside spiral ribbed duct, joint closure, end plug, simple plug, push fit coupler, double wall corrugated duct coupler and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way associated with laying and operationalising such infrastructure and every associated right in relation to the optic fibre cable undertaking, plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licences, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the optic fibre cable undertaking. For the avoidance of doubt, it is clarified that all electronic and optical equipment and facilities (including passive equipment) will not form part of the optic fibre cable undertaking;

(ii) all contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying on the business of the optic fibre cable undertaking including contracts for laying and establishing of ducts, optic fibre cable and other assets pertaining to the optic fibre cable undertaking;

(iii) all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income Tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Transferor Company with respect to the optic fibre cable undertaking; and

(iv) all debts, borrowings and liabilities (including Loan 1), whether present, future or contingent or deferred tax liabilities, whether secured or unsecured, of the optic fibre cable undertaking including but not limited to all other debts, duties, obligations and liabilities pertaining to the optic fibre cable undertaking whether specifically taken or refinanced or apportioned out of common loan of the Demerged Company for its transfer as a going concern to the Resulting Company.

(c) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to its optic fibre cable undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the optic fibre cable undertaking;

(d) entire experience, credentials, past record and market share of the Demerged Company pertaining to the optic fibre cable undertaking;

(e) all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the optic fibre cable undertaking; and

(f) all employees of the Demerged Company engaged in the optic fibre cable undertaking;

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company.

"**Effective Date**" means the day on which Scheme is approved by the Tribunal or the Appointed Date, whichever is later. Reference in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**upon the Scheme becoming effective**" shall mean the Effective Date;

"**Encumbrance"** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term "**Encumber**" shall be construed accordingly;

"**Existing Equity Shares – Resulting Company**" means the equity shares of the Resulting Company in existence on the date immediately preceding the Effective Date;

"**Existing Equity Shares – Transferee Company**" means the equity shares of the Transferee Company in existence on the date immediately preceding the Effective Date;

"**Income Tax Act**" means the Income-tax Act, 1961;

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

"**Parties**" means collectively the Demerged/ Transferor Company, the Resulting Company and the Transferee Company and "**Party**" shall mean each of them, individually;

"**Permits**" means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law and includes all rights of way associated with laying and operationalising of infrastructure for the optic fibre cable undertaking under Applicable Law or otherwise;

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

"**Preference Share Capital**" means the preference share capital of the Demerged/ Transferor Company aggregating to INR 13000,00,00,000 (Indian Rupees Thirteen Thousand Crore) divided into:

(a) INR 3000,00,00,000 (Indian Rupees Three Thousand Crore) represented by 300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II);

(b) INR 6000,00,00,000 (Indian Rupees Six Thousand Crore) represented by 600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III); and

(c) INR 4000,00,00,000 (Indian Rupees Four Thousand Crore) represented by 400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV);

"**Preference Shares**" means the following preference shares of the Demerged/ Transferor Company existing on the date on which this Scheme is approved by the Board of the Demerged Company/ Transferor Company:

(a) 300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II);

(b) 600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III); and

(c) 400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV);

"**Remaining Business**" means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company (including the digital services undertaking) other than the Demerged Undertaking and the Transferred Undertaking;

"**Remaining Preference Shares**" means 12,50,00,000 0.1% non-cumulative optionally convertible preference shares of INR 10 each (Series-I) of the Demerged/ Transferor Company;

"**Resulting Company**" means Jio Digital Fibre Private Limited, a company incorporated under the provisions of the Companies Act, 2013, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006 and Corporate Identification Number U64200GJ2018PTC105652;

"Resulting Company Class 'A' Equity Shares" means the equity shares of the Resulting Company having face value of INR 1 (Indian Rupee One) each to be issued by the Resulting Company pursuant to this Scheme and having defined voting and economic rights, and such other terms, as may be mutually agreed between the Demerged Company and the Resulting Company which shall be incorporated in the articles of association of the Resulting Company;

"Resulting Company Class 'B' Equity Shares" means the equity shares of the Resulting Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Resulting Company pursuant to this Scheme and having defined voting and economic rights, and such other terms, as may be mutually agreed between the Demerged Company and the Resulting Company which shall be incorporated in the articles of association of the Resulting Company;

"**RoC**" means the Registrar of Companies having jurisdiction over the Demerged/ Transferor Company, the Resulting Company and the Transferee Company, as the case may be;

"**Securities Premium**" means the securities premium recorded in the books of accounts of the Demerged/ Transferor Company on the issuance of the Preference Shares aggregating to INR 52000,00,00,000 (Indian Rupees Fifty Two Thousand Crore) as follows:

(a) INR 12000,00,00,000 (Indian Rupees Twelve Thousand Crore) on 300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II) at a premium of INR 40 each;

(b) INR 24000,00,00,000 (Indian Rupees Twenty Four Thousand Crore) on 600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III) at a premium of INR 40 each; and

(c) INR 16000,00,00,000 (Indian Rupees Sixteen Thousand Crore) on 400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV) at a premium of INR 40 each;

"**Scheme**" or "**this Scheme**" means this composite scheme of arrangement as modified from time to time;

"**Taxation**" or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and service or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and service tax or otherwise or attributable directly or primarily to the Demerged/ Transferor Company, the Resulting Company or the Transferee Company, as the case may be or any other Person and all penalties, charges, costs and interest relating thereto;

"**Tax Laws**" means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

"**Transferee Company**" means Reliance Jio Infratel Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006;

"Transferee Company Class 'A' Equity Shares" means the equity shares of the Transferee Company having face value of INR 1 (Indian Rupee One) each to be issued by the Transferee Company pursuant to this Scheme and having defined voting and economic rights, and such other terms, as may be mutually agreed between the Transferor Company and the Transferee Company which shall be incorporated in the articles of association of the Transferee Company;

"Transferee Company Class 'B' Equity Shares" means the equity shares of the Transferee Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Transferee Company pursuant to this Scheme and having defined voting and economic rights, and such other terms, as may be mutually agreed between the Transferor Company and the Transferee Company which shall be incorporated in the articles of association of the Transferee Company;

"**Transferred Undertaking**" means all of the tower infrastructure undertaking and ancillary and support services together with all business units, undertakings, assets, properties, investments (direct and indirect), and liabilities of whatsoever nature and kind, and wherever situated, of the Transferor Company, in relation to and pertaining to the tower infrastructure undertaking and shall include without limitation:

(a) all assets and liabilities of the Transferor Company pertaining to wireless and broadcast towers and tower sites, present and future, that host or assist in the operation of plant and equipment used for transmitting telecommunication signals, being towers and tower sites situated in India that are owned by or vested in the Transferor Company and include, without limitation, any and all towers under construction;

(b) Without prejudice to the generality of the provisions of (a) above, the Transferred Undertaking shall include:

   (i) all properties and assets of the Transferor Company, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible properties and assets pertaining to the tower infrastructure undertaking but not limited to, electricity power connections, utilities, diesel generator sets, batteries, power management systems, air conditioners, shelters and all associated civil and electrical works and associated capital costs, security deposits, capital work in progress, easmentary rights associated with operationalising such infrastructure and every associated right of the tower infrastructure undertaking, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits (including, without limitation, deposits placed with landlords, electricity boards and transmission companies), provisions, advances, recoverables, receivables, funds, leases, licences, tenancy rights, premises, hire purchase and lease arrangements, powers, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company with respect to the tower infrastructure undertaking;

(ii) all contracts, agreements, schemes, arrangements and other instruments for the purpose of carrying on the business of the tower infrastructure undertaking including for contracts for the construction and establishment of telecommunications towers and other assets pertaining to the tower infrastructure undertaking;

(iii) all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income Tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Transferor Company with respect to the tower infrastructure undertaking;

(iv) all debts, borrowings and liabilities (including Loan 2), whether present or future or contingent or deferred tax liabilities, whether secured or unsecured, of the tower infrastructure undertaking, including but not limited to all other debts, duties, obligations and liabilities including contingent liabilities pertaining to the tower infrastructure undertaking whether specifically taken or refinanced or apportioned out of common loan of the Transferor Company for its transfer as a going concern to the Transferee Company;

(c) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Transferor Company pertaining to its tower infrastructure undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the tower infrastructure undertaking;

(d) entire experience, credentials, past record and market share of the Transferor Company pertaining to the tower infrastructure undertaking;

(e) all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the tower infrastructure undertaking;

(f) all employees of the Transferor Company engaged in the tower infrastructure undertaking; and

(g) all earnest monies, security deposits, or other entitlements, if any, in connection with or relating to the tower infrastructure undertaking.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Transferred Undertaking, shall be decided mutually by the Boards of the Transferor Company and the Transferee Company.

"**Tribunal**" means the relevant bench of the National Company Law Tribunal having jurisdiction over the Demerged/ Transferor Company, the Resulting Company and the Transferee Company, respectively; and

"**Undertakings**" means the Demerged Undertaking and the Transferred Undertaking, collectively.

1.2 In this Scheme, unless the context otherwise requires:

1.1.1 words denoting the singular shall include the plural and *vice versa* and words denoting any gender shall include all genders;

1.1.2 headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information and convenience only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;

1.1.3 the words "include" and "including" are to be construed without limitation;

1.1.4 reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule of this Scheme;

1.1.5 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and

1.1.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively.

2. SHARE CAPITAL

2.1 The share capital structure of the Demerged/ Transferor Company as on 31 December 2018 is as follows:

Particulars	INR
Authorised Share Capital	
5700,00,00,000 equity shares of INR 10 each	57000,00,00,000
1313,00,00,000 preference shares of INR 10 each	13130,00,00,000
Total	**70130,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
4500,00,00,000 equity shares of INR 10 each	45000,00,00,000

Particulars	INR
12,50,00,000 0.1% non-cumulative optionally convertible preference shares of INR 10 each (Series-I)	125,00,00,000
300,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-II)	3000,00,00,000
600,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-III)	6000,00,00,000
400,00,00,000 9% non-cumulative optionally convertible preference shares of INR 10 each (Series-IV)	4000,00,00,000
Total	**58125,00,00,000**

2.2 The share capital structure of the Resulting Company as on 31 December 2018 is as follows:

Particulars		INR
Authorised Share Capital		
1,00,000 equity shares of INR 10 each		10,00,000
	Total	**10,00,000**
Issued, Subscribed and Paid-up Capital		
10,000 equity shares of INR 10 each		1,00,000
	Total	**1,00,000**

2.3 The share capital structure of the Transferee Company as on 31 December 2018 is as follows:

Particulars		INR
Authorised Share Capital		
10,00,000 equity shares of INR 10 each		1,00,00,000
	Total	**1,00,00,000**
Issued, Subscribed and Paid-up Capital		
10,00,000 equity shares of INR 10 each		1,00,00,000
	Total	**1,00,00,000**

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 28 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART II

REDUCTION OF PREFERENCE SHARE CAPITAL AND SECURITIES PREMIUM OF THE DEMERGED/ TRANSFEROR COMPANY

4. REDUCTION OF PREFERENCE SHARE CAPITAL AND SECURITIES PREMIUM OF THE DEMERGED/ TRANSFEROR COMPANY

4.1 On Part II of the Scheme becoming effective and with effect from the Appointed Date, the Preference Share Capital and the Securities Premium will stand reduced, extinguished and cancelled without any further act, instrument or deed.

4.2 The liability on cancellation of Preference Shares and reduction of the Preference Share Capital and the Securities Premium shall be discharged by means of constructive payment of an amount equivalent to the Preference Share Capital and the Securities Premium to the holders of the Preference Shares. Further, there will be a constructive receipt of an equivalent amount as loan from the holders of the Preference Shares to the Demerged Company and the same shall be deemed to be for the purpose of refinancing part of the expenditure incurred in respect of the Demerged Undertaking to the extent of Loan 1, the Transferred Undertaking to the extent of Loan 2 and the Remaining Business to the extent of Loan 3. The terms and conditions of such loans shall be mutually agreed between the Demerged/ Transferor Company and the holders of the Preference Shares. It is clarified that there shall be no change and/ or reduction in the authorised share capital of the Demerged/ Transferor Company pursuant to the reduction and cancellation of the Preference Share Capital.

4.3 On effecting the reduction of the Preference Share Capital, the share certificates in respect of the Preference Shares held by the holders of Preference Shares shall also be deemed to have been cancelled.

4.4 Pursuant to the cancellation of the Preference Shares as stated in Clause 4.1 above, any arrears of dividend on the Preference Shares or any other liability, whether present or contingent, of the Demerged/ Transferor Company pertaining to the Preference Shares shall, upon the Scheme being effective, abate and there shall be no liability of the Demerged/ Transferor Company in respect of the Preference Shares so cancelled.

4.5 The reduction of the Preference Share Capital and the Securities Premium of the Demerged/ Transferor Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately, and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

4.6 Notwithstanding the reduction of the Preference Share Capital and the Securities Premium of the Demerged/ Transferor Company, the Demerged/ Transferor Company shall not be required to add “And Reduced” as suffix to its name.

4.7 This Part of the Scheme does not envisage transfer or vesting of any of the properties and/ or liabilities of the Demerged/ Transferor Company to or in any Person and consequently, the order of the Tribunal to the extent of this Part of the Scheme will not attract any stamp duty.

4.8 The Demerged/ Transferor Company submits that the proposed reduction of the Preference Share Capital and the Securities Premium is in conformity with and does not violate or circumscribe any provision of the Act.

5. NO FRACTIONAL ENTITLEMENTS

It is clarified that the reduction of Preference Share Capital and the Securities Premium shall not cause any holder of Preference Shares to hold any fractional shares in the Demerged/ Transferor Company.

6. EMPLOYEES

The employees of the Demerged/ Transferor Company shall not be affected in any manner by the proposed reduction of the Preference Share Capital and the Securities Premium.

7. ACCOUNTING TREATMENT ON REDUCTION OF PREFERENCE SHARE CAPITAL AND THE SECURITIES PREMIUM

7.1 Upon effectiveness of Part II of the Scheme, the Demerged Company in respect of reduction of Preference Share Capital and Securities Premium and cancellation of Preference Shares shall:

7.1.1 debit the issued, subscribed and paid-up Preference Share Capital in its books of accounts with the aggregate face value of Preference Shares cancelled pursuant to Clause 4.1 of the Scheme by way of constructive payment to the holders of Preference Shares;

7.1.2 debit its Securities Premium on reduction of the Securities Premium pursuant to Clause 4.1 of the Scheme by way of constructive payment to the holders of Preference Shares; and

7.1.3 credit the sum of (i) aggregate face value of the Preference Share cancelled; and (ii) the aggregate of debit to the Securities Premium account, by way of constructive receipt of an amount towards Loan 1, Loan 2 and Loan 3.

PART III

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

8. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

8.1 Immediately upon Part II of this Scheme becoming effective and implementation thereof and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, and in accordance with Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, records etc. shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and be vested in or be deemed to have been transferred to and vested in the Resulting Company as a going concern so as to become as on and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records etc. of the Resulting Company by virtue of operation of law and in the manner provided in this Scheme.

8.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same.

8.3 Subject to Clause 8.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 8.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

8.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company.

8.5 For the avoidance of doubt and without prejudice to the generality of Clause 8.4 above and Clause 8.6 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 8.5 or Clause 8.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.

8.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Resulting Company, if the Resulting Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

8.7 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

8.8 Upon effectiveness of the Scheme, all debts, liabilities, debentures, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking ("**Demerged Liabilities**") shall, without any further act, instrument or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same. The term "**Demerged Liabilities**" shall include without limitation:

8.8.1 the debts, liabilities, debentures and obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;

8.8.2 the specific loans, credit facilities, overdraft facilities and borrowings (including debentures, bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking, including Loan 1; and

8.8.3 in cases other than those referred to in Clause 8.8.1 or 8.8.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

In so far as indirect tax liabilities are concerned, in particular, any liability with respect to the goods and service tax, value added tax, purchase tax, sales tax or any other duty or tax in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability pertaining to the period prior to the Appointed Date, shall be treated as liability of the Resulting Company, to the extent permissible under Applicable Law.

8.9 In so far as any Encumbrance in respect of Demerged Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to the Scheme. Provided that, if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Demerged Liabilities shall without any further act, instrument or deed being required, be released and the Demerged Company shall be discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

8.10 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax law or Applicable Law, the Resulting Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to the Resulting Company shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.

8.11 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.

8.12 Subject to Clause 8 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

8.13 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

8.14 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 8 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

9. PERMITS

9.1 With effect from the Appointed Date, the Permits relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary and record the name of Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance and the Permits shall stand transferred to and vested in, and shall be deemed to be transferred to and vested in the Resulting Company without any further act, instrument or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits thereunder shall be available to the Resulting Company.

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

9.3 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Resulting Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

10. CONTRACTS

10.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses for the purpose of carrying on the business of the Demerged Undertaking including contracts for laying and establishing of ducts, optic fibre cable and other assets pertaining to the Demerged Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, by delivery or recordal or by operation of law pursuant to the order of the Tribunal sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses (including licenses granted by any Appropriate Authority) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if it were the Demerged Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the Demerged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be the Demerged Company's substituted party or beneficiary or obligor thereto, it being always understood that the Resultant Company shall be the successor in interest of the Demerged Company in relation to the properties or rights mentioned hereinabove.

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

10.3 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as it may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.

11. EMPLOYEES

11.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking shall be decided by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

11.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

12. LEGAL PROCEEDINGS

12.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to direct tax) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

12.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings with respect to direct tax) initiated by or against the Demerged Company referred to in Clause 12.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both Parties shall make relevant applications and take all steps as may be required in this regard.

12.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

12.4 This Scheme complies with the definition of "demerger" as per Sections 2(19AA), 2(19AAA), 2(41A), 47, 72A and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

13. CONSIDERATION

13.1 Upon the Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument issue and allot on a proportionate basis:

13.1.1 to each equity shareholder of the Demerged Company whose name is recorded in the register of members on the Effective Date:

(a) 1 (One) fully paid-up Resulting Company Class 'A' Equity Shares of the Resulting Company for every 9 (Nine) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;

and

(b) 1 (One) fully paid-up Resulting Company Class 'B' Equity Shares of the Resulting Company for every 175 (One Hundred and Seventy Five) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company.

The Class 'A' Equity Shares and Class 'B' Equity Shares to be issued pursuant to the above sub-clauses (a) and (b) will be together referred to as "**New Equity Shares**".

13.1.2 to the holder of Remaining Preference Shares whose name is recorded in the register of members on the Effective Date

(a) 1 (One) fully paid-up redeemable preference share of the Resulting Company of INR 10 (Indian Rupee Ten) each for every 100 (One Hundred) fully paid-up Remaining Preference Shares.

The preference shares to be issued pursuant to the above sub-clause (a) is hereinafter referred to as "**New Preference Shares**". The terms of the New Preference Shares shall be mutually agreed between the Demerged Company and the Resulting Company and shall be incorporated in the articles of association of the Resulting Company. For avoidance of doubt, it is clarified that no consideration shall be discharged in lieu of the Preference Shares being cancelled under Part II of this Scheme.

The New Equity Shares and New Preference Shares to be issued pursuant to the above Clauses 13.1.1 and 13.1.2 will be together referred to as "**New Shares**".

13.2 The New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the New Shares of the Resulting Company.

13.3 The issue and allotment of the New Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company and/or the Demerged Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the New Shares.

13.4 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of the New Share of the Resulting Company, the Resulting Company shall round the same up to the next whole number.

13.5 In the event the Parties restructure their share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the share allotment ratio set out in Clause 13.1 shall be adjusted accordingly to consider the effect of such corporate action without requirement of any further approval from the Appropriate Authority.

13.6 On the Scheme becoming effective and upon allotment of New Shares under Clause 13.1, the rights attached to the Existing Equity Shares – Resulting Company shall stand varied as follows:

13.6.1 *Voting rights*

100 (Hundred) votes per equity share

13.6.2 *Right to dividend*

NIL

13.6.3 *Repayment of capital*

Only upon dissolution or winding up of the Resulting Company, to the extent of the paid-up face value to be paid before repayment of paid-up face value of New Equity Shares; and

13.6.4 *Right to participate in surplus assets*

No right to participate in surplus assets either on winding up or on liquidation or otherwise of the Resulting Company.

The variation of rights of the Existing Equity Shares – Resulting Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders. It is clarified that the approval of the members and creditors of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the variation of rights of the Existing Equity Shares – Resulting Company.

13.7 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of its memorandum of association and articles of association pursuant to Clause 13 of this Scheme and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders for such alteration, as required under Sections 13, 14, 42, 61, 64, and other applicable provisions of the Act.

13.8 The Resulting Company shall, to the extent required, increase and/ or reclassify its authorized share capital in order to issue New Shares. Further, the Resulting Company shall comply with the provisions of the Act to increase and/ or reclassify its authorized share capital.

14. ACCOUNTING TREATMENT

The Demerged Company and Resulting Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

14.1 In the books of the Demerged Company:

Upon Part III of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

14.1.1 Demerged Company shall derecognize the carrying values of the tangible assets as on the Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with accounting standard IND - AS 16 – Property, Plant and Equipment;

14.1.2 Demerged Company shall derecognize the carrying values of the intangible assets as on the Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with accounting standard IND - AS 38 – Intangible Assets;

14.1.3 Demerged Company shall derecognize the carrying values of the financial liabilities as on Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with accounting standard IND - AS 109 – Financial Instruments;

14.1.4 Demerged Company shall derecognize the carrying values of the other assets and liabilities as on Appointed Date, that are transferred to Resulting Company pursuant to this Scheme, in accordance with relevant accounting standards as applicable; and

14.1.5 The net effect of the adjustments referred to in clauses 14.1.1 through 14.1.4 above shall be accounted by the Demerged Company in its capital reserve account or retained earnings.

14.2 In the books of the Resulting Company:

Upon Part III of the Scheme coming into effect, the Resulting Company shall account for the demerger in its books of account in the following manner:

14.2.1 Resulting Company shall comply with accounting standard IND - AS 103 – Business Combination and account for the identifiable tangible, intangible and current assets and the liabilities acquired using the acquisition method at acquisition date fair value;

14.2.2 In respect of New Equity Shares to be issued by Resulting Company pursuant to Clause 13.1.1 of the Scheme as consideration the Resulting Company shall credit its equity share capital account for the aggregate face value of the New Equity Shares and credit the securities premium account for the premium on issuance of New Equity Shares;

14.2.3 In respect of New Preference Shares to be issued by Resulting Company pursuant to Clause 13.1.2 of the Scheme as consideration the Resulting Company shall account for the New Preference Shares in accordance with accounting standard IND-AS 109 – Financial Instruments; and

14.2.4 The balance, if any, after giving effect to clause 14.2.1 to 14.2.3 above shall be transferred by the Resulting Company to its capital reserve account or goodwill, as the case may be.

PART IV
TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING

15. TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING

15.1 Immediately upon Part II of the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the Transferred Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, records, etc. shall, without any further act, instrument or deed, be transferred from the Transferor Company to and be vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as on and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records, etc. of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

15.2 In respect of such of the assets and properties forming part of the Transferred Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Transferor Company to the Transferee Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same.

15.3 Subject to Clause 15.4 below, with respect to the assets of the Transferred Undertaking other than those referred to in Clause 15.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission in favour of the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.

15.4 In respect of such of the assets and properties forming part of the Transferred Undertaking which are immovable in nature, whether or not included in the books of the Transferor Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company.

15.5 For the avoidance of doubt and without prejudice to the generality of Clause 15.4 above and Clause 15.6 below, it is clarified that, with respect to the immovable properties comprised in the Transferred Undertaking in the nature of land and buildings, the Parties shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 15.5 or Clause 15.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Transferred Undertaking takes place and the Transferred Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.

15.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Transferred Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty, and vesting in the Transferee Company, if the Transferee Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

15.7 The Transferor Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Transferred Undertaking stands transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

15.8 Upon effectiveness of the Scheme, all debts, liabilities, debentures, loans, obligations and duties of the Transferor Company as on the Appointed Date and relatable to the Transferred Undertaking ("**Transferred Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Transferee Company to the extent that they are outstanding as on the Appointed Date and the Transferee Company shall meet, discharge and satisfy the same. The term "**Transferred Liabilities**" shall include without limitation:

15.8.1 the debts, liabilities, debentures and obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Transferred Undertaking;

15.8.2 the specific loans, credit facilities, overdraft facilities and borrowings (including debentures bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Transferred Undertaking, including Loan 2; and

15.8.3 in cases other than those referred to in Clause 15.8.1 or 15.8.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Transferor Company, as stand in the same proportion which the value of the assets transferred pursuant to the transfer and vesting of the Transferred Undertaking bear to the total value of the assets of the Transferor Company immediately prior to the Appointed Date.

In so far as indirect tax liabilities are concerned, in particular, any liability with respect to the goods and service tax, value added tax, purchase tax, sales tax or any other duty or tax in relation to the Transferred Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability pertaining to the period prior to the Appointed Date, shall be treated as liability of the Transferee Company, to the extent permissible under Applicable Law.

15.9 In so far as any Encumbrance in respect of Transferred Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Transferred Undertaking which have been Encumbered in respect of the Transferred Liabilities as transferred to the Transferee Company pursuant to the Scheme. Provided that, if any of the assets comprised in the Transferred Undertaking which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Transferred Liabilities shall without any further act, instrument or deed being required, be released and the Transferor Company shall be discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Transferred Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to this Scheme and which continue with the Transferor Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

15.10 If the Transferor Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Transferred Undertaking under any Tax law or Applicable Law, the Transferee Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Transferor Company, the portion which will be attributed to the Transferred Undertaking and be transferred to the Transferee Company shall be determined by the Board of Transferor Company in accordance with the Applicable Law.

15.11 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Transferee Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Transferred Undertaking to the extent not claimed by the Transferor Company, as and when the same are paid subsequent to the Appointed Date.

15.12 Subject to Clause 15 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Transferred Undertaking, the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

15.13 On and from the Effective Date , all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Transferor Company, in relation to or in connection with the Transferred Undertaking, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.

15.14 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 15 and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

16. PERMITS

16.1 With effect from the Appointed Date, the Permits relating to the Transferred Undertaking shall be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the name of Transferee Company on such Permits so as to empower and facilitate the approval and vesting of the Transferred Undertaking in the Transferee Company and continuation of operations pertaining to the Transferred Undertaking in the Transferee Company without any hindrance and the Permits 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, instrument or deed and shall be appropriately mutated by the Appropriate 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 the 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.

16.2 The benefit of all Permits pertaining to the Transferred Undertaking shall, without any other order to this effect, stand transferred to and vested in and become available to the Transferee Company pursuant to the sanction of this Scheme by the Tribunal.

16.3 Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Transferred Undertaking, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

17. CONTRACTS

17.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses for the purpose of carrying on the business of the Transferred Undertaking for construction and establishment of telecommunications towers and other assets pertaining to the Transferred Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferred Undertaking, or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, by delivery or recordal or by operation of law pursuant to the order of the Tribunal sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements and licenses (including licenses granted by any Appropriate Authority) of the Transferee Company. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Transferor Company. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the Transferred Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto, it being always understood that the Transferee Company shall be the successor in the interest of the Transferor Company in relation to the properties or rights mentioned hereinabove.

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

17.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Transferor Company, in relation to or in connection with the Transferred Undertaking, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferred Undertaking to the Transferee Company under this Scheme have been given effect to under such contracts and transactions.

18. EMPLOYEES

18.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, the Transferee Company undertakes to engage, without any interruption in service, all employees of the Transferor Company engaged in or in relation to the Transferred Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any of the aforesaid employees or union representing them. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Transferred Undertaking shall be decided by the Transferor Company, and such decision shall be final and binding on all concerned Parties.

18.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.

19. LEGAL PROCEEDINGS

19.1 Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to direct tax) by or against the Transferor Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Transferred Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Transferee Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Except as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Transferee Company. The Transferee Company shall be replaced/added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Transferor Company and the liability of the Transferor Company shall consequently stand nullified. The Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Transferred Undertaking.

19.2 The Transferee Company undertakes to have all legal and other proceedings (except proceedings with respect to direct tax) initiated by or against the Transferor Company referred to in Clause 19.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company on priority. Both Parties shall make relevant applications and take all steps as may be required in this regard.

19.3 Notwithstanding anything contained above, if at any time after the Effective Date, the Transferor Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Transferred Undertaking, the Transferor Company shall, in view of the transfer and vesting of the Transferred Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Transferor Company with the Transferee Company. However, if the Transferor Company is unable to get the Transferee Company replaced in such proceedings, the Transferor Company shall defend the same or deal with such demand in accordance with the advice of the Transferee Company and at the cost of the Transferee Company and the latter shall reimburse to the Transferor Company all liabilities and obligations incurred by the Transferor Company in respect thereof.

20. CONSIDERATION

20.1 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, in accordance with the terms of the Scheme and without any further application, act, deed, payment, consent or instrument discharge a lump sum consideration by way of issuance of 200,00,00,000 (Two Hundred Crore) fully paid up Transferee Company Class ‘A’ Equity Shares and 5,00,00,000 (Five Crore) fully paid up Transferee Company Class ‘B’ Equity Shares, in each case to the Transferor Company. The Transferee Company Class ‘A’ Equity Shares of INR 1 (Indian Rupee One) each and Transferee Company Class ‘B’ Equity Shares of INR 10 (Indian Rupee Ten) each to be issued pursuant this Clause will be together referred to as “**Transferee Company New Shares**”.

20.2 The Transferee Company New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Transferee Company New Shares.

20.3 The discharge of lump sum consideration by way of issuance of Transferee Company New Shares to the Transferor Company as provided in this Scheme, is an integral part of the Scheme and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under Sections 42, 62 and other provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with.

20.4 In the event the Transferee Company restructures its share capital by way of share split/consolidation/issue of bonus shares during the pendency of this Scheme, the share allotment ratio as mentioned in Clause 20.1 shall be adjusted accordingly to consider the effect of such corporate action and without the requirement of any further approval from the Appropriate Authority.

20.5 On the Scheme becoming effective and upon allotment of Transferee Company New Shares under Clause 20.1, the rights attached to the Existing Equity Shares – Transferee Company shall stand varied as follows:

20.5.1 *Voting rights*

100 (Hundred) votes per equity share

20.5.2 *Right to dividend*

NIL

20.5.3 *Repayment of capital*

Only upon dissolution or winding up of the Transferee Company, to the extent of the paid-up face value to be paid before repayment of paid-up face value of Transferee Company New Shares; and

20.5.4 *Right to participate in surplus assets*

No right to participate in surplus assets either on winding up or on liquidation or otherwise of the Transferee Company.

The variation of rights of the Existing Equity Shares – Transferee Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders. It is clarified that the approval of the members and creditors of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the variation of rights of the Existing Equity Shares – Transferee Company.

20.6 The Transferee Company shall, to the extent required, increase and/ or reclassify its authorized share capital in order to issue Transferee Company New Shares under this Scheme. Further, the Transferee Company shall comply with the provisions of the Act to increase and/ or reclassify its authorized share capital.

21. ACCOUNTING TREATMENT

The Transferor Company and the Transferee Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the transactions underlying in the Scheme including but not limited to the following:

21.1 <u>In the books of the Transferor Company:</u>

Upon Part IV of the Scheme coming into effect, the Transferor Company shall account for the transaction in its books of account in the following manner:

21.1.1 Transferor Company shall derecognize the carrying values of the tangible assets as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with accounting standard IND - AS 16 – Property, Plant and Equipment;

21.1.2 Transferor Company shall derecognize the carrying values of the intangible assets as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with accounting standard IND - AS 38 – Intangible Assets;

21.1.3 Transferor Company shall derecognize the carrying values of the financial liabilities as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with accounting standard IND - AS 109 – Financial Instruments;

21.1.4 Transferor Company shall derecognize the carrying values of the other assets and liabilities as on Appointed Date, that are transferred to Transferee Company pursuant to this Scheme, in accordance with relevant accounting standards as applicable;

21.1.5 The lumpsum consideration received by Transferor Company in the form of Transferee Company Class New Shares to be issued by Transferee Company shall be recognised at cost being the net effect of the adjustments referred to in clauses 21.1.1 to 21.1.4 above in compliance with accounting standard IND - AS 27 – Separate Financial Statements

21.2 <u>In the books of the Transferee Company:</u>

Upon Part IV of the Scheme coming into effect, the Transferee Company shall account for the transaction, in its books of account in the following manner:

21.2.1 Transferee Company shall comply with accounting standard IND - AS 103 – Business Combination and account for the identifiable tangible, intangible and current assets and the liabilities acquired using the acquisition method at acquisition date fair value;

21.2.2 Transferee Company shall credit its equity share capital account with aggregate face value of Transferee Company New Shares issued under Clause 20.1 of this Scheme; and

21.2.3 The net effect of the adjustments referred in clauses 21.2.1 and 21.2.2 above shall be transferred by the Transferee Company to its capital reserve account or goodwill, as the case may be.

PART V
GENERAL TERMS & CONDITIONS

22. REMAINING BUSINESS

22.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged/ Transferor Company, shall continue to belong to and be vested in and be managed by the Demerged/ Transferor Company. With effect from the Effective Date, only the Demerged/ Transferor Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business and the Resulting Company and the Transferee Company shall not have any liability or obligation in relation to the Remaining Business.

22.2 All legal, Tax and/or other proceedings by or against the Demerged/ 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 Demerged/ Transferor Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged/ Transferor Company in respect of the Remaining Business) shall be continued and enforced against the Demerged/ Transferor Company. The Resulting Company and the Transferee Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business.

22.3 If the Resulting Company and/ or the Transferee Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business, the Resulting Company and/ or the Transferee Company shall, in view of the transfer and vesting of the Demerged Undertaking and Transferred Undertaking, as the case may be, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Resulting Company or the Transferee Company, as the case may be, with the Demerged Company. However, if the Resulting Company or the Transferee Company (as applicable) is unable to get the Demerged/ Transferor Company replaced in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged/ Transferor Company and at the cost of the Demerged/ Transferor Company and the latter shall reimburse the Resulting Company and/ or the Transferee Company against all liabilities and obligations incurred by or against the Resulting Company and/ or the Transferee Company, as the case may be, in respect thereof.

23. DIVIDENDS

23.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.

23.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Demerged/ Transferor Company, the Resulting Company or the Transferee Company, as the case may be, and subject to approval, if required, of the shareholders of the Demerged/Transferor Company, the Resulting Company or the Transferee Company, as the case may be.

24. BUSINESS UNTIL EFFECTIVE DATE

24.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:

24.1.1 The Demerged/ Transferor Company shall, with respect to the respective Undertakings, carry on the business with reasonable diligence and business prudence and in the same manner as the Demerged/ Transferor Company had been doing hitherto;

24.1.2 The Resulting Company and the Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company and the Transferee Company may respectively require to carry on the relevant business of the Demerged/ Transferor Company and to give effect to the Scheme.

24.2 In case the Effective Date is later than the Appointed Date, the Demerged/ Transferor Company with effect from the Appointed Date and up to and including the Effective Date:

24.2.1 shall be deemed to have been carrying on and shall carry on its business and activities in relation to the Undertakings and shall be deemed to have held and stood possessed of the Undertakings and shall hold and stand possessed of the assets of the respective Undertakings for and on account of, and in trust for the Resulting Company or the Transferee Company, as the case may be;

24.2.2 all profits or income arising or accruing to the Demerged/ Transferor Company in relation to the Undertakings and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Demerged/ Transferor Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses of the Resulting Company or the Transferee Company, as the case may be; and

24.2.3 all loans raised and all liabilities and obligations incurred by the Demerged/ Transferor Company after the Appointed Date and prior to the Effective Date in relation to the Undertakings, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company or the Transferee Company, as the case may be, in which the relevant Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company or the Transferee Company, as the case may be.

24.3 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company and the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking and transfer and vesting of the Transferred Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company and Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company and the Transferee Company, as the case may be, shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company or the Transferee Company, as the case may be, pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company or the Transferee Company. It is clarified that the Resulting Company and the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

25. PROPERTY IN TRUST

25.1 Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Undertakings are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company or the Transferee Company, as the case may be, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged/ Transferor Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company or the Transferee Company, as the case may be.

26. FACILITATION PROVISIONS

26.1 Notwithstanding the existing limits under Section 180(1) (c) of the Act, the Board of the Demerged/ Transferor Company shall be deemed to have been authorised to take loans to the extent of Loan 1, Loan 2 and Loan 3 in addition to the existing limit approved by the Board and shareholders of Demerged/ Transferor Company. In order to facilitate the borrowing by the Demerged/ Transferor Company, notwithstanding the limits under Section 180(1)

(a) of the Act, the Board of the Demerged/ Transferor Company is authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable, for the aforementioned amount of Loan 1, Loan 2 and Loan 3.

26.2 Notwithstanding the existing limits under Section 180(1)(c) of the Act, the Board of the Resulting Company shall be deemed to have been authorised to take loans upto an aggregate amount of INR 150000,00,00,000 (Indian Rupees One Lakh Fifty Thousand Crore Only). In order to facilitate the borrowing by the Resulting Company, notwithstanding the limits under Section 180(1)(a) of the Act, the Board of the Resulting Company is authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable upto the borrowing limit authorized under Section 180(1)(c).

26.3 Notwithstanding the existing limits under Section 180(1)(c) of the Act, the Board of the Transferee Company shall be deemed to have been authorised to take loans upto an aggregate amount of INR 50000,00,00,000 (Indian Rupees Fifty Thousand Crore Only). In order to facilitate the borrowing by the Transferee Company, notwithstanding the limits under Section 180(1)(a) of the Act, the Board of the Resulting Company is authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable upto the borrowing limit authorized under Section 180(1)(c).

26.4 It is clarified that the approval of this Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 180(1)(c) and 180(1)(a) of the Act, as the case may be and any other applicable provisions of the Act and that no separate approval from the shareholders to that extent will be required to be sought by the Parties.

27. APPLICATIONS/PETITIONS TO THE TRIBUNAL

27.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.

27.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Parties may require to own the assets and/or liabilities of the respective Undertakings and to carry on the business of the respective Undertakings.

28. MODIFICATION OR AMENDMENTS TO THIS SCHEME

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

28.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Boards of the Parties 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.

29. ORDER OF IMPLEMENTATION OF THE SCHEME

29.1 The Scheme shall be made effective in the order as contemplated below:

29.1.1 Part II of the Scheme shall be made effective in priority to Part III and Part IV; and

29.1.2 Part III and Part IV of the Scheme shall be made effective simultaneously, immediately after the implementation of Part II of the Scheme.

29.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Law.

29.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons relating to the Parties, if any, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable to all the matters related or arising pursuant to the Scheme.

30. NON-RECEIPT OF APPROVALS AND REVOCATION/ WITHDRAWAL OF THIS SCHEME

30.1 The Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.

30.2 In the event the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Parties, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

30.3 In the event of revocation/withdrawal of the Scheme under Clause 30.1 or Clause 30.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged/ Transferor Company, the Resulting Company and the Transferee Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

31. COSTS AND EXPENSES

31.1 All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking and the Transferred Undertaking of the Demerged/ Transferor Company in the Resulting Company and the Transferee Company respectively in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid by the Demerged/ Transferor Company, except in the event of this Scheme not taking effect as provided in Clause 30 above in which case, each company shall bear and pay its own costs, charges and expenses incurred in relation to or in connection with this Scheme.

32. SAVING OF CONCLUDED TRANSACTIONS

32.1 Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged/ Transferor Company in relation to the Undertakings until the Appointed Date, to the end and intent that the Resulting Company and/ or the Transferee Company shall accept and adopt all acts, deeds and things done and executed by the Demerged/ Transferor Company in respect thereto as done and executed on behalf of the Resulting Company and the Transferee Company, as the case may be.

ANNEXURE - B - I

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RELIANCE JIO INFOCOMM LIMITED AT ITS MEETING HELD ON 11 DECEMBER 2018 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL (KMPs), PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. BACKGROUND

1.1. The Board of Directors ("**Board**") of Reliance Jio Infocomm Limited ("**Demerged Company" or "Transferor Company" or "Demerged/ Transferor Company**") at its meeting held on 11 December 2018 have approved the composite scheme of arrangement amongst the Demerged/ Transferor Company and Jio Digital Fibre Private Limited ("**Resulting Company**") and Reliance Jio Infratel Private Limited ("**Transferee Company**") and their respective shareholders and creditors ("**Scheme**").

1.2. This report of the Board is made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3. Under the Scheme, the following is proposed:

1.3.1. cancellation of the Preference Shares *(as defined in the Scheme)* by way of reduction of the Preference Share Capital *(as defined in the Scheme)* and the Securities Premium *(as defined in the Scheme)* such that there will be constructive payment to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company for the purpose of refinancing part of the expenditure incurred in respect of the optic fibre cable undertaking to the extent of INR 45342,00,00,000 ("**Loan 1**"), the tower infrastructure undertaking to the extent of INR 11836,00,00,000 ("**Loan 2**") and in respect of other businesses to the extent of INR 7822,00,00,000 ("**Loan 3**");

1.3.2. demerger of the Demerged Undertaking *(as defined in the Scheme)* from the Demerged Company and its transfer to and vesting into the Resulting Company on a *going concern* basis and discharge of consideration in lieu thereof; and

1.3.3. transfer and vesting of the Transferred Undertaking *(as defined in the Scheme)* from the Transferor Company into the Transferee Company on a *going concern* basis and discharge of lump sum consideration in lieu thereof.

1.4. The following documents were, inter alia, placed before the Board:

1.4.1. Draft Scheme duly initialled by the Company Secretary of the Demerged Company/ Transferor Company for the purpose of identification; and

1.4.2. Fairness opinion dated 11 December, 2018 issued by M/s Devesh Vasavada & Co., independent Chartered Accountants ("**Independent Chartered Accountants**").

2. CONSIDERATION

2.1. The Board of Directors have recommended shares to be issued by the (i) Resulting Company to the shareholders of the Demerged Company in consideration for the demerger of the Demerged Undertaking; and (ii) Transferee Company to the Transferor Company in consideration for the transfer of the Transferred Undertaking. This is detailed below:

For the demerger of the Demerged Undertaking of the Demerged / Transferor Company:

To the equity shareholders of the Demerged / Transferor Company:

(a) *1 (One) fully paid-up Resulting Company Class 'A' Equity Shares (as defined in the Scheme) of the Resulting Company for every 9 (Nine) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;*

and

(b) *1 (One) fully paid-up Resulting Company Class 'B' Equity Shares (as defined in the Scheme) of the Resulting Company for every 175 (One Hundred and Seventy Five) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company.*

To the preference shareholders of the Demerged / Transferor Company:

1 (One) fully paid-up redeemable preference share of the Resulting Company of INR 10 (Indian Rupee Ten) each for every 100 (One Hundred) fully paid-up Remaining Preference Shares (as defined in the Scheme).

For the transfer of the Transferred Undertaking of the Demerged/ Transferor Company:

To the Demerged / Transferor Company:

200,00,00,000 (Two Hundred Crore) fully paid up Transferee Company Class 'A' Equity Share (as defined in the Scheme) and 5,00,00,000 (Five Crore) fully paid up Transferee Company Class 'B' Equity Share (as defined in the Scheme), in each case to the Transferor Company.

2.2. The Independent Chartered Accountants has certified that the abovementioned share issue on demerger, is fair and reasonable considering that all the shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company in the same ratio (inter-se) as they hold shares in the Demerged Company; and consideration on transfer of Transferred Undertaking, is fair and reasonable since the Transferor Company will be the only shareholder of the Transferee Company entitled to economic benefits.

2.3. The Resulting Company Class 'A' Equity Shares, Resulting Company Class 'B' Equity Shares, the Transferee Company Class 'A' Equity Shares and the Transferee Company Class 'B' Equity Shares shall carry such rights and economic benefits as enumerated in the memorandum and articles of association of the Resulting Company or the Transferee Company, as the case may be.

3. EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) OF THE DEMERGED/ TRANSFEROR COMPANY

On demerger of Demerged Undertaking

3.1. Pursuant to the Scheme, both the promoter and non-promoter shareholders of the Demerged/ Transferor Company will receive Class 'A' and Class 'B' equity shares in the Resulting Company such that the entire economic benefits of the Demerged Undertaking will continue to accrue to them.

On transfer of Transferred Undertaking

3.2. Pursuant to the Scheme, the Transferor Company will receive both Class 'A' equity shares and Class 'B' equity shares of the Transferee Company such that the entire economic benefit of the Transferred Undertaking will continue to accrue to the Transferor Company. Thus, the shareholders (both promoter and non-promoter) of the Transferor Company will continue to retain an indirect interest in the Transferred Undertaking.

4. EFFECT OF THE SCHEME ON THE PREFERENCE SHAREHOLDERS (PROMOTER AND NON-PROMOTER) OF THE DEMERGED/ TRANSFEROR COMPANY

Pursuant to Part II of the Scheme, the Preference Share Capital and Securities Premium shall stand reduced, extinguished and cancelled without any further act, instrument or deed and the liability towards the said reduction shall be discharged by means of constructive payment of an amount equivalent to the Preference Share Capital and the Securities Premium to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company and the same shall be deemed to be for the purpose of refinancing part of the expenditure incurred in respect of the Demerged Undertaking to the extent of Loan 1 , the Transferred Undertaking to the extent of Loan 2 and the Remaining Business (*as defined in the Scheme)* to the extent of Loan 3.

4.1. On demerger of the Demerged Undertaking

On demerger of the Demerged Undertaking, the holders of Remaining Preference Shares (*as defined in the Scheme*) on the Effective Date shall receive 1 (One) fully paid-up redeemable preference share of the Resulting Company of INR 10 (Indian Rupee Ten) each for every 100 (One Hundred) fully paid-up Remaining Preference Shares on a proportionate basis.

The existing rights of the holders of the Remaining Preference Shares of the Demerged/ Transferor Company shall continue and shall not be impacted by the Scheme.

5. EFFECT OF THE SCHEME ON THE KMPs OF THE DEMERGED/ TRANSFEROR COMPANY

There will be no impact of the Scheme on the KMPs.

For and on behalf of the Board

Adil Zainulbhai
Director
DIN – 06646490
Place: Mumbai
Date: 11 December 2018

ANNEXURE - B - II

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JIO DIGITAL FIBRE PRIVATE LIMITED AT ITS MEETING HELD ON 4 JANUARY 2019 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL (KMPs), PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. BACKGROUND

1.1. The Board of Directors ("**Board**") of Jio Digital Fibre Private Limited ("**Company**" or "**Resulting Company**") at its meeting held on 4 January 2019 have approved the composite scheme of arrangement amongst Reliance Jio Infocomm Limited ("**Demerged Company" or "Transferor Company" or "Demerged/ Transferor Company**") and the Resulting Company and Reliance Jio Infratel Private Limited ("**Transferee Company**") and their respective shareholders and creditors ("**Scheme**").

1.2. This report of the Board is made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3. Under the Scheme, the following is proposed:

1.3.1. cancellation of the Preference Shares *(as defined in the Scheme)* by way of reduction of the Preference Share Capital *(as defined in the Scheme)* and the Securities Premium *(as defined in the Scheme)* such that there will be constructive payment to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company for the purpose of refinancing part of the expenditure incurred in respect of the optic fibre cable undertaking to the extent of INR 45342,00,00,000 ("**Loan 1**"), the tower infrastructure undertaking to the extent of INR 11836,00,00,000 ("**Loan 2**") and in respect of other businesses to the extent of INR 7822,00,00,000 ("**Loan 3**");

1.3.2. demerger of the Demerged Undertaking *(as defined in the Scheme)* from the Demerged Company and its transfer to and vesting into the Resulting Company on a *going concern* basis and discharge of consideration in lieu thereof; and

1.3.3. transfer and vesting of the Transferred Undertaking *(as defined in the Scheme)* from the Transferor Company into the Transferee Company on a *going concern* basis and discharge of lump sum consideration in lieu thereof.

1.4. The following documents were, *inter alia*, placed before the Board:

1.4.1. Draft Scheme duly initialled by the Chairman of the Company for the purposes of identification; and

1.4.2. Fairness opinion dated 11 December, 2018 issued by M/s Devesh Vasavada & Co., independent Chartered Accountants ("**Independent Chartered Accountants**").

2. CONSIDERATION

2.1. The Board of Directors of the respective companies have recommended shares be issued by the Resulting Company to the shareholders of the Demerged Company in consideration for the demerger of the Demerged Undertaking. This is detailed below:

For the demerger of the Demerged Undertaking of the Demerged / Transferor Company:

To the equity shareholders of the Demerged / Transferor Company:

(a) *1 (One) fully paid-up Resulting Company Class 'A' Equity Share (as defined in the Scheme) of the Resulting Company for every 9 (Nine) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company;*

and

(b) *1 (One) fully paid-up Resulting Company Class 'B' Equity Share (as defined in the Scheme) of the Resulting Company for every 175 (One Hundred and Seventy Five) fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Demerged Company.*

To the preference shareholders of the Demerged / Transferor Company:

1 (One) fully paid-up redeemable preference share of the Resulting Company of INR 10 (Indian Rupee Ten) each for every 100 (One Hundred) fully paid-up Remaining Preference Shares (as defined in the Scheme).

2.2. The Independent Chartered Accountants has certified that the abovementioned share issue on demerger is fair and reasonable considering that all the shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company in the same ratio (inter-se) as they hold shares in the Demerged Company.

2.3. The Resulting Company Class 'A' Equity Shares and Resulting Company Class 'B' Equity Shares shall carry such rights and economic benefits as enumerated in the memorandum and articles of association of the Resulting Company.

3. EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) OF THE RESULTING COMPANY

3.1. On the Scheme becoming effective and upon allotment of New Shares *(as defined in the Scheme)*, the rights attached to the Existing Equity Shares – Resulting Company *(as defined in the Scheme)* shall stand varied as follows:

3.1.1. *Voting rights*

100 (Hundred) votes per equity share

3.1.2. *Right to dividend*

NIL

3.1.3. *Repayment of capital*

Only upon dissolution or winding up of the Resulting Company, to the extent of the paid-up face value to be paid before repayment of paid-up face value of New Equity Shares*(as defined in the Scheme)*; and

3.1.4. *Right to participate in surplus assets*

No right to participate in surplus assets either on winding up or on liquidation or otherwise of the Resulting Company.

4. EFFECT OF THE SCHEME ON THE KMPs OF THE RESULTING COMPANY

Currently, there are no KMPs in the Resulting Company.

For and on behalf of the Board

Laxmidas V. Merchant
Director
DIN – 00007722
Place: Mumbai
Date: 4 January 2019

ANNEXURE - B - III

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RELIANCE JIO INFRATEL PRIVATE LIMITED AT ITS MEETING HELD ON 2 JANUARY 2019 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL (KMPs), PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. BACKGROUND

1.1. The Board of Directors ("**Board**") of Reliance Jio Infratel Private Limited ("**Company**" or "**Transferee Company**") at its meeting held on 2 January 2019 have approved the composite scheme of arrangement amongst Reliance Jio Infocomm Limited ("**Demerged Company" or "Transferor Company" or "Demerged/ Transferor Company**") and Jio Digital Fibre Private Limited ("**Resulting Company**") and the Transferee Company and their respective shareholders and creditors ("**Scheme**").

1.2. This report of the Board is made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3. Under the Scheme, the following is proposed:

1.3.1. cancellation of the Preference Shares *(as defined in the Scheme)* by way of reduction of the Preference Share Capital *(as defined in the Scheme)* and the Securities Premium *(as defined in the Scheme)* such that there will be constructive payment to the holders of the Preference Shares and a constructive receipt of an identical amount as loan from the holders of the Preference Shares to the Demerged/ Transferor Company for the purpose of refinancing part of the expenditure incurred in respect of the optic fibre cable undertaking to the extent of INR 45342,00,00,000 ("**Loan 1**"), the tower infrastructure undertaking to the extent of INR 11836,00,00,000 ("**Loan 2**") and in respect of other businesses to the extent of INR 7822,00,00,000 ("**Loan 3**");

1.3.2. demerger of the Demerged Undertaking *(as defined in the Scheme)* from the Demerged Company and its transfer to and vesting into the Resulting Company on a *going concern* basis and discharge of consideration in lieu thereof; and

1.3.3. transfer and vesting of the Transferred Undertaking *(as defined in the Scheme)* from the Transferor Company into the Transferee Company on a *going concern* basis and discharge of lump sum consideration in lieu thereof.

1.4. The following documents were, inter alia, placed before the Board:

1.4.1. Draft Scheme duly initialled by the Company Secretary of the Company for the purpose of identification; and

1.4.2. Fairness opinion dated 11 December, 2018 issued by M/s Devesh Vasavada & Co., independent Chartered Accountants ("**Independent Chartered Accountants** ").

2. CONSIDERATION

2.1. The Board of Directors have recommended shares to be issued by the Transferee Company to the Transferor Company in consideration for the transfer of the Transferred Undertaking. This is detailed below:

For the transfer of the Transferred Undertaking of the Demerged/ Transferor Company:

To the Demerged / Transferor Company:

200,00,00,000 (Two Hundred Crore) fully paid up Transferee Company Class 'A' Equity Share (as defined in the Scheme) and 5,00,00,000 (Five Crore) fully paid up Transferee Company Class 'B' Equity Share (as defined in the Scheme), in each case to the Transferor Company.

2.2. The Independent Chartered Accountants has certified that the abovementioned share issue on transfer, is fair and reasonable since the Transferor Company will be the only shareholder of the Transferee Company entitled to economic benefits.

2.3. The Transferee Company Class 'A' Equity Shares and the Transferee Company Class 'B' Equity Shares, shall carry such rights and economic benefits as enumerated in the memorandum and articles of association of the Transferee Company.

3. EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) OF THE TRANSFEREE COMPANY

3.1. On the Scheme becoming effective and upon allotment of Transferee Company New Shares *(as defined in the Scheme)*, the rights attached to the Existing Equity Shares – Transferee Company*(as defined in the Scheme)* shall stand varied as follows:

3.1.1. *Voting rights*

100 (Hundred) votes per equity share

3.1.2. *Right to dividend*

NIL

3.1.3. *Repayment of capital*

Only upon dissolution or winding up of the Transferee Company, to the extent of the paid-up face value to be paid before repayment of paid-up face value of Transferee Company New Shares; and

3.1.4. *Right to participate in surplus assets*

No right to participate in surplus assets either on winding up or on liquidation or otherwise of the Transferee Company.

4. EFFECT OF THE SCHEME ON THE KMPs OF THE TRANSFEREE COMPANY

There will be no impact of the Scheme on the KMPs.

For and on behalf of the Board

Sanjay Mashruwala
Director
DIN – 01259774
Place: Mumbai
Date: 2 January 2019

ANNEXURE - C - I

Supplementary Accounting Statement of the Applicant Company for the period ended 30th September, 2018

RELIANCE JIO INFOCOMM LIMITED
Provisional and Unaudited Balance Sheet as at 30th September,2018

(₹ in crore)

Particulars	Notes	As at 30th Sept'18	As at 31st Mar'18
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	**1,11,630**	95,769
Capital Work-in-Progress	1	**75,119**	61,025
Intangible Assets	1	**58,857**	59,760
Intangible Assets Under Development	1	**9,504**	8,962
Financial Assets			
Investments	2	**1,104**	1,016
Other Financial Assets	3	**2**	3
Deferred Tax Assets (Net)		**3,771**	4,037
Other Non-Current Assets	4	**3,852**	3,610
Total Non-Current Assets		**2,63,839**	**2,34,182**
Current Assets			
Financial Assets			
Investments	5	**300**	-
Trade Receivables	6	**1,618**	912
Cash and Cash Equivalents	7	**54**	691
Other Bank Balances	8	**411**	27
Other Financial Assets	9	**2,855**	340
Other Current Assets	10	**20,069**	17,579
Total Current Assets		**25,307**	19,549
Total Assets		**2,89,146**	**2,53,731**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	**45,000**	45,000
Other Equity	12	**59,231**	57,933
Total Equity		**1,04,231**	**1,02,933**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	**55,659**	35,192
Other Financial Liabilities	14	**13,963**	8,536
Deferred Payment Liabilities	15	**19,745**	20,209
Provisions	16	**427**	364
Total Non-Current Liabilities		**89,794**	**64,301**
Current Liabilities			
Financial Liabilities			
Borrowings	17	**20,821**	13,263
Trade Payables	18	**3,692**	3,117
Other Financial Liabilities	19	**66,237**	65,751
Deferred Payment Liabilities	15	**886**	870
Other Current Liabilities	20	**3,379**	3,406
Provisions	21	**106**	90
Total Current Liabilities		**95,121**	**86,497**
Total Liabilities		**1,84,915**	**1,50,798**
Total Equity and Liabilities		**2,89,146**	**2,53,731**

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Statement of Profit and Loss for the period ended 30th September,2018

(₹ in crore)

	Note	Apr-Sept'18	2017-18
INCOME			
Revenue from Operations	22	**17,349**	20,154
Other Income	23	**2**	4
Total Income		**17,351**	**20,158**
EXPENSES			
Network Operating Expenses	24	**4,747**	4,921
Access Charges (Net)		**2,103**	4,287
License Fees/Spectrum Charges		**1,843**	1,767
Employee Benefits Expense	25	**774**	963
Finance Costs	26	**1,763**	2,049
Depreciation and Amortisation Expense		**2,970**	3,577
Selling and Distribution Expenses		**525**	797
Other Expenses	27	**639**	688
Total Expenses		**15,364**	**19,049**
Profit Before Tax		**1,987**	1,109
Tax Expenses			
Current Tax		**428**	234
Deferred Tax		**266**	152
Profit for the period		**1,293**	723
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss		**8**	8
Income tax relating to items that will not be reclassified to profit or loss		(3)	(3)
Other Comprehensive Income for the period (Net of tax)		5	5
Total Comprehensive Income for the period		**1,298**	728
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)		**0.29**	**0.16**
Diluted (in ₹)		**0.12**	**0.07**

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Statement of Changes in Equity for the period ended 30th September,2018

A. Equity Share Capital

(Rs. in crore)

Balance at the beginning of the reporting period i.e. 1st April, 2017	Change in Equity Share Capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018	Change in Equity Share Capital during the period Apr'18 to Sept'18	Balance at the end of the reporting period i.e. 30th Sept, 2018
45,000	-	45,000	-	**45,000**

B. Other Equity

(Rs. in crore)

Particulars	Instruments classified as Equity		Reserves and Surplus		Total
	0.1% Non Cumulative Optionally Convertible Preference Share Capital, fully paid up	9% Non Cumulative Optionally Convertible Preference Share Capital, fully paid up	Securities Premium Reserve	Retained Earnings	
AS ON 31ST MARCH, 2018					
Balance at the beginning of the reporting period i.e. 1st April, 2017	125	6,732	26,928	(7,921)	25,864
Profit for the year	-	-	-	723	723
Other Comprehensive Income for the year	-	-	-	5	5
Shares Issued	-	6,268	25,072	-	31,340
Balance at the end of the reporting period i.e. 31st March, 2018	**125**	**13,000**	**52,000**	**(7,192)**	**57,933**
AS ON 30TH SEPT, 2018					
Balance at the beginning of the reporting period i.e. 1st April, 2018	125	13,000	52,000	(7,192)	57,933
Profit for the period	-	-	-	1,293	1,293
Other Comprehensive Income for the period	-	-	-	5	5
Shares Issued	-	-	-	-	-
Balance at the end of the reporting period i.e. 30th Sept, 2018	**125**	**13,000**	**52,000**	**(5,894)**	**59,231**

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Cash Flow Statement for the period ended 30th September,2018

		Apr-Sept'18	2017-18
			(₹ in crore)
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit/(Loss) Before Tax as per Statement of Profit and Loss	**1,987**	1,109
	Adjusted for :		
	Depreciation and Amortisation Expense	**2,970**	3,577
	Effect of Exchange Rate Change	**112**	2
	Interest Income	**(2)**	(3)
	Gain on Investments (Net) (Previous Year Rs. 21,76,474)	**-**	(0)
	Loss on Sale of Property, Plant and Equipment	**3**	7
	Finance Costs	**1,763**	2,049
	Operating Profit before Working Capital Changes	**6,834**	6,741
	Adjusted for :		
	Trade and Other Receivables	**(3,627)**	(6,962)
	Trade and Other Payables	**1,609**	4,031
	Cash Generated from Operations	**4,815**	3,810
	Taxes Paid (Net)	**(554)**	(240)
	Net Cash flow from Operating Activities	**4,261**	3,570
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Property, Plant and Equipment	**(23,300)**	(35,792)
	Proceeds from disposal of Property, Plant and Equipment (Current Year Rs. 24,10,567)	**0**	6
	Purchase of Investments	**(31,925)**	(600)
	Sale of Investments	**31,637**	600
	Investment in Subsidiaries	**(88)**	(143)
	Interest Income (Previous Year Rs. 1,73,070)	**15**	0
	Fixed Deposits/Escrow account	**(384)**	(20)
	Net Cash flow used in Investing Activities	**(24,044)**	(35,949)
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issue of Preference Share Capital	**-**	31,340
	Proceeds from Borrowings - Non-Current	**24,946**	6,914
	Repayment of Borrowings - Non-Current	**(8,470)**	(3,317)
	Borrowings - Current (Net)	**7,559**	7,340
	Repayment of Deferred Payment Liabilities	**(448)**	(739)
	Finance Charges Paid	**(4,441)**	(8,489)
	Net Cash flow from Financing Activities	**19,146**	33,049
	Net Increase in Cash and Cash Equivalents	**(637)**	670
	Opening Balance of Cash and Cash Equivalents	**691**	21
	Closing Balance of Cash and Cash Equivalents (Refer Note 7)	**54**	691

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Cash Flow Statement for the period ended 30th September,2018

Changes in Liabilities arising from financing activities

(Rs. in crore)

	1st April, 2018	**Cash flow**	**Non cash**		**30th September, 2018**
			Foreign exchange movement	**Finance costs including amortisation**	
Borrowings - Non-Current (Refer Note 13)	45,129	16,476	2,337	(309)	63,634
Borrowings - Current (Refer Note 17)	13,263	7,559	-	-	20,821
	58,392	**24,035**	**2,337**	**(309)**	**84,455**

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

A Corporate Information

Reliance Jio Infocomm Limited ("the Company") is a public limited company incorporated in India. The registered office address is 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400021, India. The Company's Holding Company is Reliance Industries Limited.

The Company is engaged in the business of providing Digital Services.

B Significant Accounting Policies

B.1 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for following Assets and Liabilities which have been measured at fair value:

i Certain financial assets and liabilities (including derivative instruments),

ii Defined Benefit Plans - Plan Assets

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Rules notified under the relevant provisions of the Companies Act, 2013.

Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest crore (INR 00,00,000), except when otherwise indicated.

B.2 Summary of Significant Accounting Policies

(a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges/credits on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses relating to project, net of income earned during the project development stage, prior to its intended use, are considered as project development expenditure and disclosed under Capital Work-in-Progress.

The assets are capitalised when they are available for use and are working in the manner as intended by the management. The assets are considered as being available for intended use, when the parameters laid down by the management are achieved.

Depreciation on Property, Plant and Equipment is provided using straight-line method except in case of wireless telecommunication equipments and components which are depreciated based on the expected pattern of consumption of the expected future economic benefits over its useful life. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the Property, Plant and Equipment and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased Assets

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(c) Intangible Assets

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as project development expenditure and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

i Software are amortised on straight line method, over a period of 5 to 10 years.

ii License Fee is amortised over the remainder of the License period from the date of commencement of the commercial operation.

iii Spectrum cost is amortised from the date of commencement of commercial operation over the balance validity period, based on the expected pattern of consumption of the expected future economic benefits, in accordance with the applicable Accounting Standards.

iv Payment for Bandwidth capacities acquired under Indefeasible Right to Use (IRU) is amortised over the period of the agreement.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

(d) Financial Instruments

i) Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial Assets carried at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories is measured at FVTPL.

C. Investment in Subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment loss (if any).

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derivative Financial Instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

Hedges that meet the criteria for hedge accounting are accounted for as follows:
Fair Value Hedge
The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

(e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Asset Retirement Obligation:

Asset Retirement Obligation (ARO) is provided for those lease arrangements where the Company has an obligation to restore the leased premises at the end of the period in a condition similar to inception of the arrangement.

The obligation arising on account of such costs are provided at present value of future restoration and dismantling costs and are recognised as part of the cost of underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(f) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from services are recognised to the extent the Company has rendered the services, as per the contractual arrangements. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from services includes revenue towards sharing infrastructure for usage of Company's network by other operators. Revenue from membership fees are recognised ratably over the membership period. Revenue from other services including advertisement is recognized on rendering services.

In case of revenue from multiple deliverables, the consideration received from customers is allocated to each separate unit of identifiable deliverable based on its relative fair value. In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated on a residual value method.

Interest Income

Interest income from a Financial Asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the amount has been established.

(g) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post Employment Benefits

Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged or credited to the Other Comprehensive Income.

Other Long Term Employee Benefits

Compensated Absences are accrued and provided for on the basis of actuarial valuation made as at the year end by an independent actuary as per the Projected Unit Credit Method.

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(h) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(i) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings and that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

(j) Tax Expenses

The tax expense for the period comprises current and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

(i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax assets on carry forward losses is recognised based on convincing evidence including robust business projections where it is reasonably certain that sufficient taxable profits will be available to utilise those losses.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(k) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any item of Property, Plant and Equipment and Intangible Assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

C Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

a) Depreciation / Amortisation and useful lives of Property, Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The depreciation/amortisation method is selected so as to reflect the pattern in which future economic benefits of different assets are expected to be consumed by the Company. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Asset Retirement Obligation

Asset Retirement Obligation created for leased premises involves judgement around the cost to dismantle equipment and restore sites upon vacation and the timing of the event. The provision represents the Company's best estimate of the amount that may be required to settle the obligation. Costs are expected to be incurred over a period of up to 18 years and the estimates are discounted using a rate that reflects the passage of time.

c) Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

e) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

f) Impairment of Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Revenue

The application of Accounting Standard on Revenue Recognition involves complexity and use of key judgments with respect to multiple elements deliverables, timing of revenue recognition, accounting of discounts, incentives, etc. The Management has reviewed such accounting treatment and is satisfied about its appropriateness in terms of the relevant Ind AS.

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

1. Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets and Intangible Assets Under Development (₹ in crore)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01-04-2018	Additions /Adjustments	Deductions /Adjustments	As at 30-09-2018	As at 01-04-2018	For the Period	Deductions /Adjustments	As at 30-09-2018	As at 30-09-2018	As at 31-03-2018
Tangible Assets :										
Own Assets :										
Leasehold Land	150	0	-	150	34	3	-	37	113	116
Freehold Land	20	-	-	20	-	-	-	-	20	20
Leasehold Improvements	1	-	-	1	1	0	-	1	0	0
Buildings - Permanent Structure	211	2,243	-	2,454	5	14	-	19	2,435	206
Buildings-Temporary Structures	2	0	-	2	2	0	-	2	0	0
Plant and Equipments	97,228	15,552	3	1,12,777	2,322	1,883	0	4,205	1,08,572	94,906
Construction Equipments	714	4	0	718	259	28	0	287	431	455
Office Equipments	37	8	-	45	14	4	-	19	27	23
Furniture and Fixtures	29	-3	-	26	8	2	-	10	16	21
Vehicles	37	-	6	30	15	2	3	14	17	22
Total (A)	**98,429**	**17,804**	**9**	**1,16,223**	**2,660**	**1,936**	**3**	**4,593**	**1,11,630**	95,769
Intangible assets:										
Spectrum/License Fee	57,746	121	-	57,867	1,132	895	-	2,027	55,840	56,614
Software	2,329	24	-	2,353	174	117	-	292	2,061	2,155
Indefeasible right to use (IRU)	1,043	-	-	1,043	52	35	-	87	956	991
Others	0	-	-	0	0	0	-	0	0	0
Total (B)	**61,119**	**145**	**-**	**61,263**	**1,359**	**1,047**	**-**	**2,406**	**58,857**	59,760
Total (A+B)	**1,59,548**	**17,948**	**9**	**1,77,486**	**4,019**	**2,984**	**3**	**6,999**	**1,70,487**	**1,55,529**
Previous Year	**1,361**	**1,58,205**	**18**	**1,59,548**	**386**	**3,638**	**5**	**4,019**	**1,55,529**	
Capital Work-in-Progress									**75,119**	61,025
Intangible Assets under Development									**9,504**	8,962

* Other than internally generated

Depreciation for the period includes depreciation of Rs. 14 crore (Previous Year Rs.61 crore) capitalised during the period .Thus, the net amount Rs. 2,970 crore has been considered in Statement of Profit and Loss.

"0" represents the amounts below the denomination threshold.

The remaining amortisation period of Spectrum/License fee as at 30st Sept' 2018 ranges between 3 to 19 years.

1.1 The Company has commenced commercial operations of its Wireless Telecommunication Network with effect from 1st July, 2017. The Company continues to invest in augmentation of the network capacity and setting up Wireline Telecommunication Project.

1.2 Capital Work-in-Progress and Intangible Assets Under Development includes :

(a) Rs.19,557 crore (Previous Year Rs.13,699 crore) on account of capital goods inventory.

(b) Rs.16,694 crore (Previous Year Rs. 13,278 crore) on account of Project Development Expenditure.

1.3 Additions in Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets and Intangible Assets Under Development includes Rs. 303 crore (net loss) [Previous Year Rs. 421 crore (net loss)] on account of exchange difference during the period.

1.4 For Assets pledged as security - Refer Note 13.1, 13.2 .

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(₹ in crore)

2 Non-Current Investments	**As at 30th Sept'18 Units**	**Amount**	As at 31st Mar'18 Units	Amount
Investments measured at Cost				
In Equity Shares of Subsidiary Companies				
Unquoted, fully paid up				
Reliance Jio Infocomm Pte Limited of USD 1 each	**12,10,00,000**	**814**	11,70,00,000	726
Reliance Jio Infocomm USA Inc. of USD 0.01 each	**3,85,47,66,449**	**242**	3,85,47,66,449	242
Reliance Jio Infocomm UK Ltd of GBP 1 each	**55,00,000**	**48**	55,00,000	48
Total Non Current Investments		**1,104**		1,016
Aggregate amount of Unquoted Investments		**1,104**		1,016

(₹ in crore)

	As at 30th Sept'18	As at 31st Mar'18
2.1 **Category wise Non current investment**		
Financial assets measured at Cost	**1,104**	1,016
Total Non current investment	**1,104**	1,016

2.2 **Details of each of the subsidiary companies are given below:**

Name of the Subsidiaries	**Principal place of business**	**Country of Incorporation**	**Proportion of ownership interest**
Reliance Jio Infocomm Pte Ltd.	Singapore	Singapore	100%
Reliance Jio Infocomm USA Inc.	U.S.A.	U.S.A.	100%
Reliance Jio Infocomm UK Limited	U.K.	U.K.	100%

(₹ in crore)

3 Other Financial Assets - Non Current	**As at 30th Sept'18**	As at 31st Mar'18
Bank deposits with more than 12 months maturity	**2**	3
Total	**2**	3

3.1 Fixed Deposits with Banks have been pledged with Semi government authorities

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
4	**Other Non-Current Assets (Unsecured and Considered Good)**		
	Capital Advances	**674**	501
	Security Deposits	**1,878**	2,001
	Advance Income Tax (Net of Provision)	**159**	34
	Others*	**1,141**	1,074
	Total	**3,852**	3,610

4.1 Others include amount paid under protest.

(₹ in crore)

		As at 30th Sept,2018 Units	As at 30th Sept,2018 Amount	As at 31st March,2018 Units	As at 31st March,2018 Amount
5	**Current Investments**				
	Investments measured at Fair Value Through Profit & Loss (FVTPL)				
	In Mutual Funds - Unquoted				
	HDFC Money Market plan - Direct plan Growth Option (Face value of Rs. 1,000 each)	**7,99,110**	**3,00**	-	-
	Total	**7,99,110**	**3,00**	-	-
	Aggregate amount of Unquoted investments		**3,00**		-

		As at 30th Sept,2018	As at 31st March,2018
5.1	**Category-wise current investment**		
	Financial assets measured at Fair value through Profit & Loss (FVTPL)	**3,00**	-
	Total Current Investment	**3,00**	-

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
6	**Trade Receivables**		
	Unsecured		
	Considered good	**1,618**	912
	Considered doubtful	**13**	13
	Less: Provision for doubtful receivables	**(13)**	(13)
	Total	**1,618**	912

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
7	**Cash and Cash Equivalents**		
	Balances with Banks	**54**	691
	Total	**54**	691

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
8	**Bank balances other than covered in Cash and cash equivalents**		
	Fixed deposits with banks	**111**	27
	Other Bank balance	**300**	-
	Total	**411**	27

8.1 Fixed Deposits with Banks of Rs.35 crore (Previous year of Rs.27 crore) have been pledged with government authorities and Rs.76 crore (Previous year Nil) have been pledged against bank guarantee issued to Department of Telecommunication (DOT) on behalf of Reliance communication limited (RCOM).

8.2 Other Balance comprise of balance lying in escrow account towards assets acquisition from RCOM.

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
9	**Other Financial Assets - Current**		
	Interest accrued on Fixed Deposits	**8**	5
	Others	**2,847**	335
	Total	**2,855**	340

9.1 Others include financial assets at fair value, MTM on forwards, Contractual / Unbilled receivables and Loan to employees.

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
10	**Other Current Assets (Unsecured and considered good)**		
	Balance with Customs, Central Excise and GST Authorities	**17,962**	15,580
	Others	**2,107**	1,999
	Total	**20,069**	17,579

10.1 Others include prepaid expenses, claim receivables and advance to vendors

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

11 Share Capital (₹ in crore)

Authorised Share Capital :		**As at 30th Sept'18**	As at 31st Mar'18
57,00,00,00,000 (57,00,00,00,000)	Equity Shares of Rs.10 each	**57,000**	57,000
13,13,00,00,000 (13,13,00,00,000)	Preference Shares of Rs.10 each	**13,130**	13,130
	Total	**70,130**	70,130
Issued, Subscribed and Paid up:			
45,00,00,00,000 (45,00,00,00,000)	Equity Shares of Rs.10 each fully paid up	**45,000**	45,000
	Total	**45,000**	45,000

11.1 **Terms/rights attached to equity shares :**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

11.2 **The reconciliation of the number of shares outstanding is set out below:**

Particulars	**As at 30th Sept'18 No.of Shares**	As at 31st Mar'18 No.of Shares
Equity shares at the beginning of the year	**45,00,00,00,000**	45,00,00,00,000
Add: Issue of Shares	**-**	-
Equity shares at the end of the period/year	**45,00,00,00,000**	45,00,00,00,000

11.3 **The details of shareholders holding more than 5% shares in the Company including those held by holding company and Subsidiaries of holding company:**

Name of Shareholders	**As at 30th Sept'18**		As at 31st Mar'18	
	No of Shares	**% held**	No of Shares	% held
Reliance Industries Limited (Holding Company)	**44,74,74,90,000**	**99.44%**	44,74,74,90,000	99.44%

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(₹ in crore)

12 Other Equity

	As at 30th Sept'18	As at 31st Mar'18
Instruments classified as Equity		
Optionally Convertible Preference Shares (OCPS)		
0.1% Non Cumulative OCPS Series-I	125	125
9% Non Cumulative OCPS Series-II	3,000	3,000
9% Non Cumulative OCPS Series-III	6,000	6,000
9% Non Cumulative OCPS Series-IV	4,000	4,000
	13,125	13,125
Reserves and Surplus		
Securities Premium Reserve		
As per last Balance Sheet	52,000	26,928
Add: On issue of shares	-	25,072
Balance at end of period	52,000	52,000
Retained Earnings		
As per last Balance Sheet	(7,192)	(7,921)
Add: Profit for the year	1,293	723
Add: Other Comprehensive Income arising from Remeasurement of Defined Benefit Plan, net of Income tax	5	5
Balance at end of period	(5,894)	(7,192)
TOTAL	59,231	57,933

12.1 0.1% Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each, fully paid up

Terms/ rights attached to Preference Shares :

0.1% Non-Cumulative Optionally Convertible Preference Shares ("OCPS-Series-I") are convertible into 2 (Two) Equity Shares of Rs.10 each at any time at the option of the Company but in any case not later than June 29, 2030 and in the event the shares are not converted, these will be redeemed at any time at the option of the Company at Rs. 20 each but not in any case later than June 29, 2030.

12.2 9% Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each, fully paid up

Terms/ rights attached to Preference Shares :

The amount subscribed/paid on each 9% - Non-Cumulative Optionally Convertible Preference Shares ("OCPS-Series-II") are either redeemable at Rs. 50 or convertible into 5 (Five) Equity Shares of Rs. 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS (i.e. October 3, 2016).

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

12.3 9% Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each, fully paid up

Terms/ rights attached to Preference Shares :

The amount subscribed/paid on each 9% - Non-Cumulative Optionally Convertible Preference Shares (“OCPS-Series-III’) are either redeemable at Rs. 50 or convertible into 5 (Five) Equity Shares of Rs. 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS (i.e. February 6, 2017).

12.4 9% Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each, fully paid up

Terms/ rights attached to Preference Shares :

The amount subscribed/paid on each 9% - Non-Cumulative Optionally Convertible Preference Shares (“OCPS-Series-IV’) are either redeemable at Rs. 50 or convertible into 5 (Five) Equity Shares of Rs. 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS (i.e. September 4, 2017).

12.5 The details of shareholders holding more than 5% OCPS in the Company including those held by Holding Company and Subsidiaries of Holding Company:

a. OCPS Series-I : 100% shares are held by Reliance Industrial Investments and Holdings Limited (Subsidiary of Holding Company)

b. OCPS Series-II /Series- III /Series- IV : 100% shares are held by Reliance Industries Limited (Holding Company)

Note: The voting rights on the above series of OCPS is as prescribed under the provisions of the Companies Act, 2013.

12.6 In absence of profits as per section 71(4) of the Companies Act, 2013, the Company has not created the Debenture Redemption Reserve for cumulative amount of Rs. 2,332 crore (Previous Year Rs.2,789 crore).Debenture Redemption Reserve will be created at the end of the Financial Year, subject to availability of profits.

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(Rs.in crore)

	13 Borrowings	**As at 30th Sept, 2018**		As at 31st March, 2018	
		Non-Current	**Current**	Non-Current	Current
(I)	**Secured - At Amortised Cost**				
(a)	Non-Convertible Debentures	**14,500**	**3,000**	8,000	4500
(b)	Term Loans - from Banks	**833**	**334**	1,000	335
		15,333	**3,334**	9,000	4,835
(II)	**Unsecured - At Amortised Cost**				
(a)	Non-Convertible Debentures*	**7,000**	**-**	7,000	-
(b)	Term Loans				
	(i) From Banks	**31,353**	**3,899**	17,313	4,459
	(ii) From Others	**1,973**	**742**	1,879	643
		40,326	**4,641**	26,192	5,102
	Total	**55,659**	**7,974**	35,192	9,937

*In respect of Non-Convertible Debentures aggregating to Rs. 2,000 crore, the Company has entered into currency and interest rate swap for their entire term for Rs.1,025 crore.

13.1 Secured Non-Convertible Debentures referred to in 13(I) (a) above are secured by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories, furniture, fixtures and vehicles, save and except the telecom licenses, spectrum, brand name, goodwill and any intellectual property rights and such of the assets that are procured through financing from Cisco Systems Capital India Private Limited.

Maturity Profile and Rate of Interest of Secured Non-Convertible Debentures are as set out below:

(Rs.in crore)

Rate of Interest	**Non-Current**								**Current**
	2025-26	**2024-25**	**2023-24**	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**Total**	
7.97%	-	-	-	1,000	-	-	-	1,000	-
8.00%	-	-	2,500	-	-	-	-	2,500	-
8.00%	-	-	2,500	-	-	-	-	2,500	-
8.10%	-	-	-	-	-	-	-	-	2,250
8.10%	-	-	-	-	-	-	-	-	750
8.25%	1,000	1,000	1,000	-	-	-	-	3,000	-
8.32%	-	-	-	-	2,000	-	-	2,000	-
8.69%	-	-	-	-	2,000	-	-	2,000	-
8.70%	-	-	-	-	1,500	-	-	1,500	-
Total	**1,000**	**1,000**	**6,000**	**1,000**	**5,500**	**-**	**-**	**14,500**	**3,000**

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

13.2 Secured Term loans from banks referred to in 13(I)(b) above to the extent of :

a. Rs.0.4 crore (Previous Year Rs.1 crore) are secured by hypothecation of specific vehicles.

b. Rs.1,167 crore (Previous Year Rs.1,334 crore) are secured by hypothecation of the movable properties, both present and future, including movable plant and machinery, spares, tools and accessories, furniture, fixtures and vehicles, save and except the telecom licenses, spectrum, brand name, goodwill and any intellectual property rights and such of the assets that are procured through financing from Cisco Systems Capital India Private Limited and repayable in 18 equated quarterly installments starting December, 2017.

Maturity Profile of Secured Term loans are as set out below:

(Rs.in crore)

Description	Non-Current		Current
	2-5 Years	Total	1 year
Term Loans from Banks	833	833	334

13.3 Maturity Profile and Rate of Interest of Unsecured Non-Convertible Debentures referred to in 13(II)(a) above are as set out below:

(Rs.in crore)

Rate of Interest	Non-Current								Current
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	Total	
8.95%	-	-	-	-	-	-	500	500	-
8.90%	-	-	-	-	-	-	1,000	1,000	-
8.95%	-	-	-	-	-	1,000	-	1,000	-
8.95%	-	-	-	-	-	1,000	-	1,000	-
9.25%	-	2,500	-	-	-	-	-	2,500	-
8.90%	-	1,000	-	-	-	-	-	1,000	-
Total	**-**	**3,500**	**-**	**-**	**-**	**2,000**	**1,500**	**7,000**	**-**

13.4 Maturity Profile of Unsecured Term Loans referred to in 13(II)(b) above comprising of External Commercial Borrowings and Loan from Banks denominated in United States Dollars, Rupee Loan from Banks and Rupee Loan from Others are as set out below:

(Rs.in crore)

Description	Non-Current			Current
	6-10 Years	2-5 Years	Total	1 year
Term Loans from Banks#	10,802	20,551	31,353	3,899
Term Loans from Others	-	1,973	1,973	742

Including Rs.610 crore (Non-Current Rs. 591 crore and Current Rs. 19 crore) as prepaid finance charges.

13.5 Payment obligations under Unsecured Loans referred to in 13(II) above to the extent of Rs.36,575 crore (Previous Year Rs.23,097 crore) are guaranteed by Reliance Industries Limited, the Holding Company.

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
14	**Other financial liabilities - Non- Current**		
	Interest accrued but not due on Deferred Payment Liabilities	**4,622**	4,085
	Creditors for Capital Expenditure	**8,730**	3,914
	Others	**611**	537
	Total	**13,963**	8,536

14.1 Others include derivative liabilities at fair value.

(₹ in crore)

		As at 30th Sept'18		As at 31st Mar'18	
		Non-Current	**Current**	Non-Current	Current
15	**Deferred Payment Liabilities**				
	Unsecured				
	Payable to Department of Telecommunication ("DoT")	**19,745**	**886**	20,209	870
	Total	**19,745**	**886**	20,209	870

15.1 During the year ended 31st March, 2017, 2015 and 2014, the Company had won the auction for spectrum aggregating to 572.8 MHz (DL+UL). The Company had opted for deferred payment for a specified portion of the auction price. The deferred payment liability recognised in the financial statements is payable in 16 annual installments after a moratorium of two years.

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
16	**Provisions - Non current**		
	Asset retirement obligation	**427**	364
	TOTAL	**427**	364

(₹ in crore)

		As at 30th Sept'18	As at 31st Mar'18
17	**Borrowings - Current**		
	Unsecured- At amortised cost		
	Bank Overdraft	**4**	598
	Rupee Loans - Commercial Paper	**20,818**	12,665
	TOTAL	**20,821**	13,263

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

(₹ in crore)

18	**Trade Payables**	**As at 30th Sept'18**	As at 31st Mar'18
	Micro Small and Medium Enterprises	**16**	13
	Others	**3,676**	3,104
	Total	**3,692**	3,117

18.1 There are no overdue amounts to Micro, Small and Medium Enterprises during the period and as at Sept 30, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

(₹ in crore)

19	**Other financial liabilities - Current**	**As at 30th Sept'18**	As at 31st Mar'18
	Current maturities of Borrowings - Non-Current	**7,974**	9,937
	Interest accrued but not due on Borrowings	**1,115**	1,142
	Interest accrued but not due on Deferred Payment Liabilities	**1,315**	1,292
	Creditors for Capital Expenditure	**54,222**	52,157
	Other Payables	**1,611**	1,223
	Total	**66,237**	65,751

19.1 Other Payables include License fee, employee dues and derivative liabilities at fair value.

(₹ in crore)

20	**Other current liabilities**	**As at 30th Sept'18**	As at 31st Mar'18
	Revenue received in advance	**3,167**	3,144
	Other Payables	**212**	262
	Total	**3,379**	3,406

20.1 Other Payables include statutory dues.

(₹ in crore)

21	**Provisions - Current**	**As at 30th Sept'18**	As at 31st Mar'18
	Provisions for employee benefits	**106**	90
	Total	**106**	90

RELIANCE JIO INFOCOMM LIMITED

Provisional and Unaudited Notes to the Financial Statements for the period ended 30th September,2018

		Apr-Sept'18	2017-18
			(₹ in crore)
22	**Revenue from Operations**		
	Value of Services	**20,468**	23,714
	Less: Service Tax/GST recovered	**(3,119)**	(3,560)
	Total	**17,349**	20,154

		Apr-Sept'18	2017-18
			(₹ in crore)
23	**Other Income**		
	Interest Income from fixed deposits	**2**	3
	Gain on Investments (Previous Year Rs. 21,76,474)	**-**	0
	Others (Current Year Rs. 31,73,440 and Previous Year Rs. 44,98,089)	**0**	0
	Total	**2**	4

		Apr-Sept'18	2017-18
			(₹ in crore)
24	**Network Operating Expenses**		
	Rent	**1,775**	1,730
	Power and Fuel	**2,147**	2,254
	Repairs and Maintenance	**768**	864
	Other network cost	**56**	73
	Total	**4,747**	4,921

		Apr-Sept'18	2017-18
			(₹ in crore)
25	**Employee Benefits Expense**		
	Salaries and Wages	**697**	853
	Contribution to Provident and Other Funds	**41**	53
	Staff Welfare Expenses	**35**	57
	Total	**774**	963

		Apr-Sept'18	2017-18
			(₹ in crore)
26	**Finance Costs**		
	Interest Expenses	**1,763**	2,049
	Total	**1,763**	2,049

26.1 Finance cost are net of Borrowing cost capitalised of Rs. 3,508 crore (Previous Year Rs. 5,799 crore)

		Apr-Sept'18	2017-18
			(₹ in crore)
27	**Other Expenses**		
	Professional Fees	**96**	148
	Payment to Auditors	**2**	3
	Net Loss on foreign currency transactions	**186**	17
	Provision for doubtful debts	**1**	13
	Customer Service Expenses	**107**	193
	Bank Charges	**54**	66
	Rates and Taxes	**17**	23
	Travelling Expenses	**22**	25
	Loss on Sale / Discard of Property, Plant and Equipment	**3**	7
	General Expenses	**152**	193
	Total	**639**	688

ANNEXURE - C - II

Supplementary Accounting Statement of the Transferee Company for the period ended 30th September, 2018

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Balance Sheet as at 30th September, 2018

(Rs. in lakh)

Particulars	Notes	As at 30th Sept, 2018	As at 31st March,2018
ASSETS			
Non - Current Assets			
Other Non-Current Assets	1	**2**	2
Total Non-Current Assets		**2**	2
Current Assets			
Financial Assets			
Investments	2	**5,32**	-
Cash and Cash Equivalents	3	**9**	46
Others	4	**0**	-
Other Current Assets	5	**2**	1
Total Current Assets		**5,43**	47
Total Assets		**5,45**	49
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	**1,00**	1,00
Other Equity	7	**(17)**	(55)
Total Equity		**83**	45
Liabilities			
Non - Current Liabilities			
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	8	**4,58**	-
Other Current Liabilities	9	**4**	5
Total Current Liabilities		**4,62**	5
Total Liabilities		**4,62**	5
Total Equity and Liabilities		**5,45**	49

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Statement of Profit and Loss for the period ended 30th September, 2018

(Rs. in lakh)

	Notes	Apr-Sept'18	2017-18
INCOME			
Revenue from Operations	10	**-**	15,97
Other Income	11	**41**	-
Total Income		**41**	15,97
EXPENSES			
Employee Benefits Expense	12	**-**	48
Finance Costs (Interest)		**-**	32
Other Expenses	13	**3**	15,51
Total Expenses		**3**	16,31
Profit / (Loss) for the period		**38**	(34)
Other Comprehensive Income		**-**	-
Total Comprehensive Income for the period		**38**	(34)
Earnings per equity share of face value of Rs. 10 each			
Basic (in Rupees)		**3.80**	**(3.44)**
Diluted (in Rupees)		**3.80**	**(3.44)**

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Statement of Changes In Equity for the period ended 30th September, 2018

(A) Equity Share Capital

	(Rs. in lakh)
Balance at the beginning of the reporting period i.e. 1st April, 2017	1,00
Changes in equity share capital during the year	-
Balance at the end of the reporting period i.e. 31st March, 2018	**1,00**
Changes in equity share capital during the year	-
Balance at the end of the reporting period i.e.30th Sept, 2018	**1,00**

(B) Other Equity

(Rs. in lakh)

Particulars	**Reserves and Surplus Retained Earnings**	**Total**
As on 31st March 2018		
Balance at the beginning of the reporting period i.e. 1st April, 2017	(21)	(21)
Total Comprehensive Income for the year	(34)	(34)
Balance at the end of the reporting period i.e. 31st March, 2018	(55)	(55)
As on 30th Sept, 2018		
Balance at the beginning of the reporting period i.e. 1st April, 2018	**(55)**	**(55)**
Total Comprehensive Income for the year	**38**	**38**
Balance at the end of the reporting period i.e.30th Sept, 2018	**(17)**	**(17)**

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Cash Flow Statement for the period ended 30th September, 2018

(Rs. in lakh)

		Apr-Sept'18	2017-18
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit / (Loss) before tax as per Statement of Profit and Loss	**38**	(34)
	Adjusted for :		
	Net Gain on Sale of Current Investments	**(2)**	-
	Interest and Finance charges	**-**	32
	Operating Loss before Working Capital Changes	**35**	(3)
	Adjusted for :		
	Trade and Other Receivables	**1**	41,26
	Trade and Other Payables	**4,57**	(46,78)
		4,58	(5,52)
	Cash Generated from Operations	**4,93**	(5,55)
	Net Cash used in Operating Activities (A)	**4,93**	(5,55)
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Investments	**(5,30)**	-
	Sale of Business (Net Consideration)	**-**	2
	Net Cash flow from / (used in) Investing Activities (B)	**(5,30)**	2
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Interest and Finance Charges	**-**	(12)
	Net Cash flow (used in) Financing Activities (C)	**-**	(12)
	Net Decrease in Cash and Cash Equivalents (A+B+C)	**(37)**	(5,65)
	Opening Balance of Cash and Cash Equivalents	**46**	6,10
	Closing Balance of Cash and Cash Equivalents (Refer Note 3)	**9**	46

RELIANCE JIO INFRATEL PRIVATE LIMITED

A CORPORATE INFORMATION

Reliance Jio Infratel Private Limited (“the Company”) is a private limited company incorporated in India.

The principal activities of the company were relating to Maintenance Services and Business Support Services. However, the company has transferred the business to Reliance Corporate IT Park Limited w.e.f. 1st Aug'17 by way of slump sale.

The registered office address is 9th floor, Maker Chamber IV, 222, Nariman Point, Mumbai - 400021, Maharashtra, India. The Company’s immediate holding company is Reliance Industrial Investments and Holdings Limited and ultimate holding company is Reliance Industries Limited.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company’s financial statements are presented in Indian Rupees, which is also its functional currency all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(b) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(c) Employee benefits

(i) **Short Term Employee Benefits :**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) **Post employement benefits :**

Defined Contribution Plans: A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans: The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Employee Separation Costs: Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

(d) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(f) Foreign Currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following conditions are satisfied:

• Revenue can be measured reliably,

• It is probable that the economic benefit associated with the transaction will flow to the Company,

• The costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established.

(h) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables,net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Notes on Financial Statements for the period ended 30th September, 2018

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
1	**Other Non-Current Assets (Unsecured and Considered Good)**		
	Security Deposits	**2**	2
	Total	**2**	2

(Rs. in lakh)

		As at 30th Sept, 2018		As at 31st March,2018	
2	**Current Investments**	**Units**	**Amount**	Units	Amount
	Investments Classification at Fair Value Through Profit & Loss (FVTPL)				
	In Mutual Funds - Unquoted - P&L				
	SBI-Premier Liquid Fund - Direct Plan - Growth (Face value of Rs. 1,000 each)	**1,464**	**5,32**	-	-
	Total	**1,464**	**5,32**	-	-
	Aggregate amount of Unquoted investments		**5,32**		-

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
3	**Cash and Cash Equivalents**		
	Balances with Banks	**9**	46
	Total	**9**	46

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
4	**Other Financial Assets**		
	Other Receivables (Rs. 18,728)	**0**	-
	Total	**0**	-

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
5	**Other Current Assets (Unsecured and considered good)**		
	Balance with GST authorities	**2**	1
	Total	**2**	1

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Notes on Financial Statements for the period ended 30th September, 2018

(Rs. in lakh)

		As at 30th Sept, 2018		As at 31st March,2018	
6	**Share Capital**	**Units**	**Amount**	Units	Amount
	Authorised Share Capital :				
	Equity Shares of Rs.10 each	**10,00,000**	**1,00**	10,00,000	1,00
			1,00		1,00
	Issued, Subscribed and Paid up:				
	Equity Shares of Rs.10 each fully paid up	**10,00,000**	**1,00**	10,00,000	1,00
	Total		**1,00**		1,00

6.1 Terms/ rights attached to Equity Shares :

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

6.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	**As at 30th Sept, 2018 No.of Shares**	As at 31st March,2018 No.of Shares
No. of shares at the beginning of the year	**10,00,000**	10,00,000
Add: Issue of Shares	**-**	-
No. of shares at the end of the year	**10,00,000**	10,00,000

6.3 The details of shareholders holding more than 5% shares:

Name of Shareholders	**As at 30th Sept, 2018**		As at 31st March,2018	
	No of Shares	**% held**	No of Shares	% held
Reliance Industrial Investments and Holdings Limited (Holding Company)	**10,00,000**	**100%**	10,00,000	100%

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
7	**Other Equity**		
	Retained Earnings	**(17)**	(55)
	Total	**(17)**	(55)

	As at 30th Sept, 2018	As at 31st March,2018
Retained Earnings		
Balance at beginning of year	**(55)**	(21)
Loss for the year	**38**	(34)
Balance at End of Year / Period	**(17)**	(55)

RELIANCE JIO INFRATEL PRIVATE LIMITED

Provisional and Unaudited Notes on Financial Statements for the period ended 30th September, 2018

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
8	**Other Financial Liabilities**		
	Others	**4,58**	-
	Total	**4,58**	-

(Rs. in lakh)

		As at 30th Sept, 2018	As at 31st March,2018
9	**Other Current Liabilities**		
	Other Payables*	**4**	5
	Total	**4**	5

*Includes sundry payable, statutory dues, etc.

ANNEXURE - C - III

Supplementary Accounting Statement of the Resulting Company for the period from 17th December,2018 - 31st December,2018

JIO DIGITAL FIBRE PRIVATE LIMITED

Provisional and Unaudited Balance Sheet as at 31st December, 2018

(Amount in Rs.)

Particulars	Notes	As at 31st December, 2018
ASSETS		
Non - Current Assets		-
Current Assets		
Financial Assets		
Cash and Cash Equivalents	1	**94,714**
Total Current Assets		**94,714**
Total Assets		**94,714**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2	**1,00,000**
Other Equity	3	**(5,286)**
Total Equity		**94,714**
Liabilities		
Non - Current Liabilities		-
Current Liabilities		-
Total Liabilities		**-**
Total Equity and Liabilities		**94,714**

JIO DIGITAL FIBRE PRIVATE LIMITED

Provisional and Unaudited Statement of Profit and Loss for the period from 17th Dec'18 - 31st Dec'18

(Amount in Rs.)

	Notes	17th Dec'18 - 31st Dec'18
INCOME		
Total Income		-
EXPENSES		
Other Expenses		**5,286**
Total Expenses		**5,286**
Profit / (Loss) for the period		**(5,286)**
Other Comprehensive Income		-
Total Comprehensive Income for the period		**(5,286)**
Earnings per equity share of face value of Rs. 10 each		
Basic (in Rupees)		**(0.53)**
Diluted (in Rupees)		**(0.53)**

JIO DIGITAL FIBRE PRIVATE LIMITED

Provisional and Unaudited Statement of Changes In Equity for the period from 17th Dec'18 - 31st Dec'18

(A) Equity Share Capital

	(Amount in Rs.)
Balance at the beginning of the reporting period	-
Changes in equity share capital during the period	1,00,000
Balance at the end of the reporting period i.e.31st December, 2018	**1,00,000**

(B) Other Equity

(Amount in Rs.)

Particulars	**Reserves and Surplus Retained Earnings**	**Total**
As on 31st December, 2018		
Balance at the beginning of the reporting period	**-**	**-**
Total Comprehensive Income for the period	**(5,286)**	**(5,286)**
Balance at the end of the reporting period i.e.31st December, 2018	**(5,286)**	**(5,286)**

JIO DIGITAL FIBRE PRIVATE LIMITED

Provisional and Unaudited Cashflow Statement for the period from 17th Dec'18 - 31st Dec'18

		(Amount in Rs.) **17th Dec'18 - 31st Dec'18**
A	**CASH FLOW FROM OPERATING ACTIVITIES:**	
	Net Loss before tax as per Statement of Profit and Loss	**(5,286)**
	Adjusted for :	
	Preliminary Expenses	**5,286**
	Operating Loss before Working Capital Changes	**-**
	Adjusted for :	
	Trade and Other Receivables	**-**
	Trade and Other Payables	**-**
		-
	Cash Generated from Operations	**-**
	Net Cash used in Operating Activities (A)	**-**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**	
	Net Cash flow (used in) Investing Activities (B)	**-**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**	
	Proceeds from issue of Equity Share Capital	**1,00,000**
	Payment of Preliminary Expenses	**(5,286)**
	Net Cash flow (used in) Financing Activities (C)	**94,714**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**94,714**
	Opening Balance of Cash and Cash Equivalents	**-**
	Closing Balance of Cash and Cash Equivalents (Refer Note 1)	**94,714**

JIO DIGITAL FIBRE PRIVATE LIMITED

A CORPORATE INFORMATION

Jio Digital Fibre Private Limited (“the Company”) is a private limited company incorporated in India.

The principal activities of the company is relating to operating and managing of telecom optic fibre cable.

The registered office address is Office-101, Saffron, Nr Centre Point, Panchawati 5 Rasta, Ambawadi, Ahmedabad, Gujarat - 380006, India. The Company’s immediate holding company is Reliance Media Transmission Private Limited and ultimate holding company is Reliance Industries Limited. The beneficial owner of the equity shares is Digital Media Distribution Trust.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company’s financial statements are presented in Indian Rupees, which is also its functional currency all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(b) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(e) Foreign Currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following conditions are satisfied:

• Revenue can be measured reliably,
• It is probable that the economic benefit associated with the transaction will flow to the Company,
• The costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established.

(g) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables,net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

JIO DIGITAL FIBRE PRIVATE LIMITED

Provisional and Unaudited Notes on Financial Statements for the period from 17th Dec'18 - 31st Dec'18

(Amount in Rs.)

		As at 31st December, 2018
1	**Cash and Cash Equivalents**	
	Balances with Banks	94,714
	Total	**94,714**

(Amount in Rs.)

		As at 31st December, 2018	
2	**Share Capital**	**Units**	**Amount**
	Authorised Share Capital :		
	Equity Shares of Rs.10 each	1,00,000	10,00,000
			10,00,000
	Issued, Subscribed and Paid up:		
	Equity Shares of Rs.10 each fully paid up	10,000	1,00,000
	Total		**1,00,000**

2.1 Terms/ rights attached to Equity Shares :

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

2.2 The reconciliation of the number of shares outstanding is set out below:

Particulars	**As at 31st December, 2018 No.of Shares**
Opening Balance	-
Add: Issue of Shares	10,000
No. of shares at the end of the period	10,000

2.3 The details of shareholders holding more than 5% shares:

Name of Shareholders	**As at 31st December, 2018 No of Shares**	**% held**
Reliance Media Transmission Private Limited (Holding Company)	10,000	100%

(Amount in Rs.)

		As at 31st December, 2018
3	**Other Equity**	
	Retained Earnings	(5,286)
	Total	**(5,286)**

	As at 31st December, 2018
Retained Earnings	
Balance at beginning of the period	-
Loss for the period	(5,286)
Balance at End of the period	**(5,286)**

4 The Company was incorporated on 17th December, 2018 and accordingly financial statements till 31st December, 2018 have been made. This being the first financial year, figures of previous year are not applicable.

5 The Company has not yet commenced Commercial Operations and hence the disclosure as per Ind AS 108 for Operating Segment is not required.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH
CA (CAA) NO. 10 OF 2019

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST RELIANCE JIO INFOCOMM LIMITED AND JIO DIGITAL FIBRE PRIVATE LIMITED AND RELIANCE JIO INFRATEL PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Reliance Jio Infocomm Limited
(CIN: U72900GJ2007PLC105869), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006

APPLICANT COMPANY/ DEMERGED COMPANY/ TRANSFEROR COMPANY

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the preference shareholder(s) : ______________________________
Registered Address : ______________________________
Email Id : ______________________________
Folio No. / Client ID & DP ID : ______________________________
No. of preference shares held : ______________________________

I / We being the preference shareholder(s) of the above named Applicant Company, hereby appoint:

1	Name			
	Address			
	Email Id		Signature:	

or failing him / her

2	Name			
	Address			
	Email Id		Signature:	

or failing him / her

3	Name			
	Address			
	Email Id		Signature:	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the meeting of the preference shareholders of the Applicant Company to be held at Babubhai Chinai Committee Room, 2nd Floor, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020 on Monday, 18th February, 2019 at 12:30 p.m. or immediately after conclusion of the meeting of the unsecured creditors and at any adjournment or adjournment(s) thereof for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement amongst Reliance Jio Infocomm Limited ("Demerged Company" or "Transferor Company") and Jio Digital Fibre Private Limited ("Resulting Company") and Reliance Jio Infratel Private Limited ("Transferee Company") and their respective shareholders and creditors (the "Scheme") and vote ______________ [insert 'FOR' or 'AGAINST'] the Scheme.

____

Signature of preference shareholder:

Signed this _________ day of _________ 2019

Affix a revenue stamp

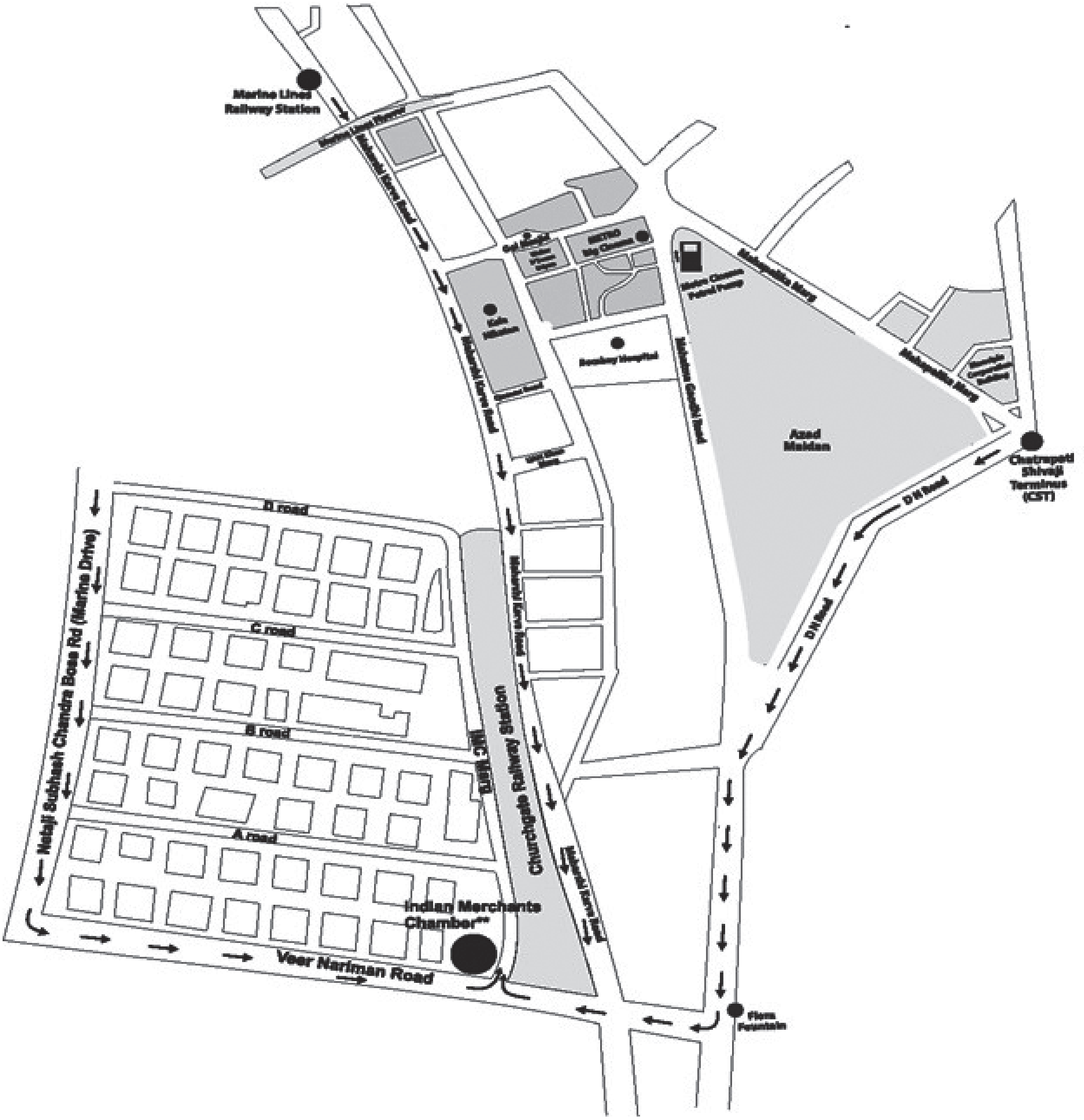
Signature across the stamp

Signature of first proxy holder | Signature of second proxy holder | Signature of third proxy holder

NOTES:

1. Please affix Revenue Stamp before signing.
2. All alterations made in the form of proxy should be initialled.
3. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
4. Proxy need not be a preference shareholder of the Applicant Company.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Body corporate preference shareholder(s) would be required to deposit certified copies of board resolutions, in original, 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 Company at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat 380 006.
7. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other.

Route map for the venue



Venue of the Meeting :
Babubhai Chinai Committee Room, 2nd Floor, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK