



Synopsis of Chairman's comments at the 11th Annual General Meeting held on September 30, 2015

1. Trading and Sharing of Spectrum:

The Company welcomes the approval granted by the Union Cabinet to policies for Trading and Sharing of spectrum.

The detailed guidelines for Sharing have been published last week, and those for Trading are expected very shortly.

These policies have long been awaited, and will lead to several benefits:

- optimal utilisation of the scarce resources of spectrum available with various operators;
- removal of duplication of capex by different operators for rollout of services;
- improvement in coverage and Quality of Service for customers
- monetisation of investments already made in acquisition of spectrum, leading to reduction in leverage of various players.

2. Strategic Partnership between RCOM and Reliance Jio:

As shareholders are aware, Company commenced our strategic partnership with Reliance Jio in April 2013.

The partnership already covers a large number of areas:

- Sharing of Towers
- Sharing of Inter-City and Intra-City Optic Fibre
- Sharing of Bandwidth
- Sharing of infrastructure for Points-of-Interconnect (POIs)
- Sharing of Ducts

The announcement of Trading and Sharing policies by the Government has now set the stage to extend our partnership to the next level of co-operation and will be a true game changer.

RCOM is the only operator in India to hold 5 MHz or more of the most valuable 800 – 850 band spectrum, across the country.

This spectrum is ideally suited for the launch of the 1st truly world class 4G / LTE services in India, and has the ability to provide a clear competitive edge in terms of quality, coverage and pricing, over other operators launching similar services in other spectrum bands.

The Company is at an advanced stage of discussions for finalising nationwide Trading and Sharing arrangements between RCOM and Reliance Jio in the 800 – 850 MHz band, in line with the new policies of DoT.

RELIANCE

These arrangements will be accompanied by reciprocal agreements between Reliance Jio and Reliance Communications for roaming by our respective customers on each other's networks.

These arrangements will facilitate Reliance Communication's access to Reliance Jio's world class 4G / LTE networks on an asset light and minimal capex model, and enable us to offer our customers state-of-the-art 4G / LTE services across the length and breadth of the country.

Simultaneously, Reliance Jio will benefit from access to our entire portfolio of 800 – 850 MHz band spectrum in all 22 circles across the country, to supplement their already considerable spectrum holdings in 800 / 850 / 1800 / 2300 MHz bands.

Reliance Jio will also secure the ability to offer their customers fall back on to RCOM's extensive 2G and 3G networks across the country, wherever required.

This overall strategic cooperation and partnership between Reliance Jio and Reliance Communications is a virtual consolidation in the telecom sector.

3. Independent Tower Company

The Company is making excellent progress on the strategic process for creation of India's first truly independent Tower Company.

As previously intimated to stock exchanges, Company is in the midst of a formal process for monetization of our valuable 95% + stake in Reliance Infratel, together with change of management control.

Based on progress made so far, and barring unforeseen circumstances, Company expect to sign and announce the transaction within the next 6 weeks.

Other potential transactions for monetization of valuable real estate owned by RCOM are also progressing extremely well.

These transactions will lead to substantial reduction of RCOM's overall debt, and greatly strengthen Company's Balance Sheet, creating a robust platform for renewed growth in years to come.

Together with the monetization of spectrum through trading and sharing arrangements, and the asset light and minimal capex model Company intend to adopt as above for our future growth, Company is at a transformational moment in RCOM's growth – and one that will lead to significant value creation for all stakeholders in the years ahead.



4. Industry Consolidation – SSTL / MTS

Even as virtual industry consolidation becomes a reality through spectrum trading and sharing arrangements, there is clearly a need for an absolute reduction in the number of operators in various circles across the country.

The Company's discussions with SSTL / MTS for a merger of their Indian operations into RCOM through a stock swap are now at an advanced stage, and are expected to be finalized within the next few weeks.

The Company expects that the proposed merger will be highly value accretive for Company, as it will, in 8 important circles, extend the validity of the valuable spectrum that Company hold in the 800 – 850 MHz band by a significantly long period of 12 years, all the way up to the year 2033.

This will add another unique element to the strong competitive position of Company.

5. Digital India

Hon'ble Prime Minister, Shri Narendra Modi, is leaving no stone unturned to translate his vision of Digital India into reality.

It is a brilliant vision vision to transform India into a digitally empowered society and knowledge economy, providing:

- Digital Infrastructure as a Utility to Every Citizen
- Governance & Services on Demand
- Digital Empowerment of Citizens

The Company had the privilege of participating in the launch programme of this initiative.

RCOM expects to play a frontier role in realizing the vision of our Hon'ble Prime Minister, with our capabilities of high speed broadband on the back of our nationwide fiber network, high quality spectrum assets, and data centre facilities providing unlimited cloud computing power.

As a leading pan-India wireless company, RCOM has already helped millions of our citizens with mobile connectivity and voice offerings.

Now, with the Digital India initiative, RCOM will help hundreds of millions of consumers leapfrog into a transformational digital era – an era where a billion people in India will move from the current state of no access to even basic computers, to a world of instantaneous access to the Internet through the most sophisticated computing devices right in their hands – namely, smartphones.
