




**RELIANCE**

Communications

# Quarterly Report on the Financial Results for the Quarter ended 31 March 2017



Reliance Communications Limited  
Registered office: H Block, 1st Floor,  
Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710  
Corporate Identity Number (CIN) of the Company: L45309MH2004PLC147531  
27 May 2017



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Telco 2

Telco 3

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विहार/मई/2017

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Rental	₹699	₹499	₹299
Voice - Local & STD	Unlimited	Unlimited	Unlimited
Roaming - Local & STD	Unlimited	Unlimited	Incoming*
4G Data	<b>30GB</b>	15GB	6GB

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## Supplemental Disclosures

**Safe Harbour:** Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations, and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will” or other similar words.

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**General Risk:** Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of the Company unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

**Convenience Translation:** All references in this report to “Rs” and “₹” are to Indian Rupees and all references herein to “US\$” are to United States Dollars.

We publish our financial statements in Indian Rupees, the legal currency of the Republic of India. All amounts translated into United States Dollars in this report are provided solely for the convenience of the reader, and no representation is made that the Indian Rupee or United States Dollar amounts referred to herein could have been or could be converted into United States Dollars or Indian Rupees respectively, as the case may be, at any particular rate, or the rates stated in this report, or at all.

**Others:** In this report, the terms “we”, “us”, “our”, “the Company” or “the Group”, unless otherwise specified or the context otherwise implies, refer to Reliance Communications Limited (“Reliance Communications”) and its affiliates, including, inter alia, Reliance Globalcom Limited (“FLAG”), Reliance Telecom Limited (“RTL”), Reliance Communications Infrastructure Limited (“RCIL”), Reliance Infratel Limited (“Reliance Infratel”) and Global Cloud Xchange Limited (GCX). Further abbreviations are defined within this report.

Any discrepancies in any table between total and sums of the amounts listed are due to rounding off.

**Disclaimer:** This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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## 1. Overview

### 1.1. Introduction

Reliance Communications Limited (“Reliance Communications”, “RCOM” or “the Company”) is one of India’s foremost integrated communications service providers in the private sector with nearly 92 million individual, enterprise, and carrier customers.

We operate pan-India across the entire gamut of wireless, wireline, and long distance, voice, data, video and internet communication services. We also have an extensive international presence through the provision of long distance voice, data and internet services and submarine cable network infrastructure globally.

### 1.2. Strategic Business Units

#### 1.2.1. India Operations

In India, RCOM provides wireless telecom services to the consumer segment and voice, long distance services and broadband access to enterprise customers. In addition, its business includes managed internet data centres and direct to home business as well.

Indian operations has been further categorised into Voice, Non-voice and Others segments. Voice segment constitutes business generated mainly from the wireless customers and 1.2 mn wireline customers (over 1% of total customers).

The ‘Others’ segment comprises operations other than Telecom Operations. This includes income from Direct-to-Home TV business, investments, interest, etc.

#### **Mobility/Wireless services:**

The voice and non-voice business is driven by 2G/3G/4G based wireless services to consumers on a nationwide basis.

RCOM is one of the largest holders of spectrum in 800/850 spectrum band. This places RCOM in an unparalleled position in the Indian telecommunication space, as this band is recognized as one of the most powerful spectrum bands in the sub-1 GHz spectrum category to provide indoor coverage and speeds. Globally many operators have launched LTE services on this band. This gives us the capability to offer superior 4G LTE experience to our customers through Pan India Gold Standard 4G services. We also have 3G services in all the 13 circles where we own 3G spectrum. We offer 3G services in another five circles, viz. Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Uttar Pradesh (East), through ICR arrangements, thus increasing our 3G coverage to 18 circles. We provide wireless broadband services in many cities and towns across India.

We not only provide telecom connectivity to the mass market consumer segment but also, as an Integrated Telecom Service Provider, we offer total telecom solutions to our Corporate, SME & SoHo customers. Our portfolio of products includes mobile handsets, fixed wireless phones/terminals, tablets, and high-speed internet data cards. Our primary brands are Reliance Mobile for the mobile portfolio of services, Reliance Hello for the fixed wireless portfolio of services Reliance 3G for 3G Services, and Reliance 4G for 4G Services. We offer a unique wireless multimedia experience under the brand Reliance Mobile World.

We also offer public calling office (“PCO”) services over our wireless network through independent retail operators of such facilities. Additionally, we provide connectivity for devices such as point of sale terminals, lottery terminals, and ATM terminals.

We are among the top providers of wireless communication services in the country, with a wireless subscriber base of nearly 84 million as of March 31, 2017.

#### **Enterprise services:**

The Company—through the ‘collaborative innovation’ route—partners with leading global technology providers to continually expand its diverse service portfolio for the Enterprise and SME segments. Broadly, this portfolio consists of national & international private leased circuits, network connectivity, managed network services, comprehensive voice solutions, Enterprise mobility solutions, collaboration solutions, data center co-location, managed services and cloud offerings. The accent is on integrated, end-to-end solutions that help strengthen RCOM’s role as an ‘ICT Partner of Choice’ for the Large Enterprise segment. The Company has a long-standing experience of serving SMEs and combines innovation, deep knowledge of this segment with Reliance’s countrywide network infrastructure to continually expand its solution portfolio for SMEs that address their ICT needs in a cost-efficient manner, largely through a pay-per-use model. Our enterprise clientele includes over 39,000 Indian and multinational corporations including SMEs and many prominent enterprises in India.

Our National Long Distance business offer’s NLD carriage and termination on an inter segment basis, to other business units of Reliance Communications. We also offer bandwidth and infrastructure services to other operators. We are leveraging our existing metro fibre optic networks to establish direct building connectivity on-net. Currently we are operating in 44 cities in India with more than one million buildings connected directly to our network, serviced by about 1.2 million access lines.

#### **Internet Data Center:**

We are one of the leading IDC service providers in India with ten data centres in Navi Mumbai, Bengaluru, Chennai and Hyderabad. Our IDCs have a total capacity of 1.1 million square feet (including IDC V, a data centre in Navi Mumbai under construction). We offer a wide range of services through our data centres including co-location, managed hosting, IT infrastructure, managed security, system integration, storage and back-up solutions. We have introduced a pay-per-use model for co-location services. We also offer cloud-based services such as storage for archival purposes and data protection and business application services such as CRM, ERP and HRMS to customers on a pay-per-use model.

#### **Reliance Big TV (Direct-To-Home business):**

Our Direct-To-Home (DTH) digital TV Business, branded as Reliance Big TV, offers a full combo of Standard Definition, High Definition & High Definition-DVR STBs, along with largest channel bouquet. We also introduced a new technology advancement which made us the 1st operator to offer all 294 channels in HD like quality. Reliance offers nationwide Direct-To-Home satellite TV services, employing state-of-the-art MPEG4 technology.

Reliance Digital TV is available at nearly 36,000 outlets across numerous cities in the country. The retail and distribution reach, as well as other elements of infrastructure established for our

wireless network, have been leveraged to expand our DTH presence. Reliance Digital TV currently has about 5.0 million subscribers, with ~6% share of the DTH market in India.

### **1.2.2. Global Operations**

The Global Business Unit offers the most comprehensive portfolio of Enterprise, IT infrastructure and International long distance voice, video and data network services on an integrated and highly scalable platform across the globe. Our business segments comprise Carrier, Enterprise and Consumer business units. We provide carrier's carrier voice, carrier's carrier bandwidth, enterprise data and consumer voice services.

In our Carrier Voice, we offer ILD carriage and termination, on an inter-segment basis, to our other business units and other operators. We entered the long distance market in India in mid-2003 and are one of the largest carriers of international voice minutes.

As part of our Consumer voice offering we offer virtual international calling services to retail customers for calls to most of the international destinations including India under the brand Reliance Global Call. Our retail services are available to customers in 14 countries in Australia, Austria, Belgium, Canada, France, Hong Kong, India, Ireland, Netherlands, New Zealand, Singapore, Spain, United Kingdom and United States. We have over 2.6 million customers for our Reliance Global Call service. We have more than 550 enterprise customers of Reliance Global Call across 11 countries including the United States, United Kingdom, Canada, Australia, New Zealand, Singapore, Spain, Belgium, France, the Netherlands and India. We also offer SIP Trunk calling along with Blackberry and Windows App.

Our International Data business is underpinned by our ownership of one of the largest private submarine cable system in the world, spanning 68,698 kilometres and connecting North America, Europe, the Middle East and Asia through 46 landing points in 27 countries. The network seamlessly interconnects with our 190,000 kilometres fibre optic cables within India. We have around 950 enterprise customers spread over developed markets such as the United States, the United Kingdom, the Netherlands and Singapore.

As part of wholesale offering, we offer international (submarine cable) network infrastructure on both an Indefeasible Right of Use ("IRU") and leased circuit basis, internet bandwidth, IPLC to carriers, ISPs, content providers and enterprises globally.

We have a very strong and rapidly growing enterprise business segment outside India. We also provide Managed Ethernet services in the U.S. and have an established position in the global enterprise data market.

### **1.3. Network and Operating Facilities**

We have a wide network covering over 21,000 cities and towns and over 400,000 villages in India.

With 190,000 kilometres of fibre optic cable in India, our national inter-city long distance network is one of the largest next generation network in India. Our network is designed and deployed for maximum reliability in ring and mesh architecture.

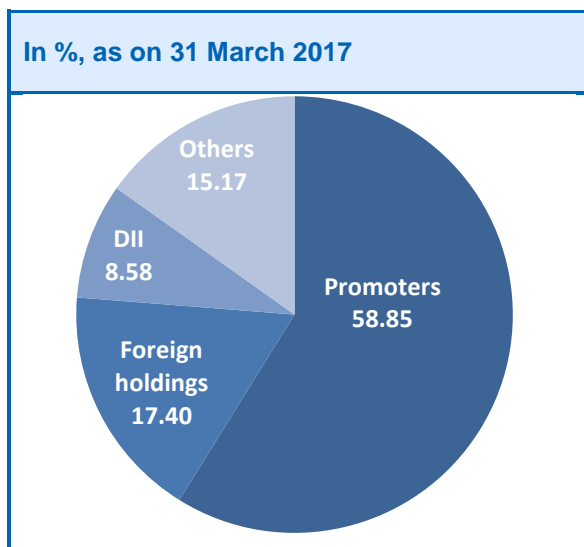


Our network operating centre is in Navi Mumbai, India. It has been designed and built to provide converged services. The entire range of our products and services is enabled by streamlined, fully integrated, flow through operating and business support systems. These facilities provide us with by far the most superior platform in India for offering bandwidth intensive, feature rich, converged services and solutions for consumers, enterprises, and carrier customers with virtually limitless scalability. Our national networks are integrated with our international networks.

Our corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 global, regional and domestic carriers. Our virtual network currently extends to over 27,000 sites across 153 countries.

Our consumer and SME offerings are supported by one of the most extensive and powerful distribution networks in India. The backbone of our retail presence is combination of exclusively franchised Reliance mobile store along with strong independent third party retailer network. We adopted an initiative to launch full-serviced franchise owned and operated retail outlets offering a full suite of services, including innovative self-care options, to our customers. We have nearly 1,850 franchised Reliance Mobile exclusive stores spread across nearly 550 cities and towns, offering customer activation and after-sales services. We also intend to increase these retail outlets to other cities. Our third-party retailer presence includes around five lakh outlets.

#### 1.4. Shareholding Pattern:



**Top Public Shareholders as on 31 Mar 2017**

Shareholder name	Holding (%)
Life Insurance Corporation of India	6.62
New World Fund Inc	3.99
CLSA Global Markets Pte Ltd	1.70
Small Cap World Fund	1.63
Vanguard	1.32
American Funds Insurance Series New World Fund	1.12
Ontario Teachers' Pension Plan Board	1.00

## 1.5. Key Company Developments

### A. Reliance launched two innovative acquisition products offering generous quantities of 4G Data

As part of its data led strategy, Reliance has launched two innovative acquisition products offering generous quantities of 4G data for its prepaid customers.



One of these products offers 1 GB of 4G data everyday per month along with all voice calls priced at 25 paise per minute at an aggressive price of Rs.96 per month. This product thus offers best-in-class voice tariff to 4G customers who have high STD usage.

The other product offers 70 GB of 4G data at a price of Rs.149. At an effective price of Rs.2 per GB of 4G data, this is one of the most competitive data offers in the industry. In this plan voice is priced at 1 paise per second.

### B. Reliance launched attractive tiered post paid acquisition plans



Reliance launched attractive new post-paid plans targeted to acquire high value Voice & 4G Data customers. All the plans offer Unlimited calling on any network. Higher the rental of the plan higher is the Data quantum offered.

Rentals start at Rs 299 which offers 6 GB 4G data and is targeted towards mass market customers hooked on to the social media, while Rs 499 plan offering 15 GB data is targeted towards customers whose usage extend beyond social media to downloading of music/videos and Rs 699 plan which offers 30 GB data targeting the heavy users who might like to use the phone as a Hotspot as well.

### C. Reliance launched "Game On" Portal

RCOM launched "Game On" Portal, a "Landing Place for Gamers in search of Action, Adventure, Sports, Racing, Fun, Easter, Card, Bubble Shooter & Much More."



With the rapid change in the world of technology, the online gaming industry has seen an unprecedented growth and popularity over the last decade. Online games are the future of the interactive entertainment industry & "Game ON" portal is an amusement service or a gateway to fun & entertainment like never before.

## D. Reliance Mega Win Contest



Reliance arranged a Mega Win Contest - Season 1, a skill-set based contest launched over IVR from 25th January'17 till 27th April'17 where LTE & GSM customers would be able to answer questions over IVR. Questions were based on various genres like Bollywood, Sports, Personalities etc. For participation customers had to subscribe to the contest by dialing 53030888 (toll free) and pay Rs 30 to participate in the contest. On playing, they could get an opportunity to win a Monthly Bumper prize of Yamaha FZ F1 motorbike, Weekly prize of 1 Samsung mobile every 10 days, and Daily Prize of Rs 15 Recharge for a value of Rs 50.

## E. GCX signed a partnership with vScaler for access to vScaler's cloud services platform

Global Cloud Xchange (GCX) signed a partnership with vScaler to enable direct access to vScaler's cloud services platform via GCX's CLOUD X Fusion, delivering next generation application specific Cloud services to consumers and enterprises on a global scale. The collaboration leverages on GCX's core assets which include a global network with data centers connected in key hubs, and a leading ecosystem of on-net Clouds and providers as well as on vScaler's cloud platform powered by OpenStack, a leading open source IaaS provider. The joining of the two platforms will enable customers to simplify and accelerate their strategic deployments of cloud by allowing them to provision full HPC-on-Demand clusters, Big Data analytics, accelerated GPU compute (for Machine Learning), tiered and accelerated storage platforms via CLOUD X Fusion, from Global Cloud Xchange.

## F. GCX has upgraded and enhanced its global network infrastructure

During the quarter, GCX completed significant Network upgrades and enhancements across its global network infrastructure, with 1.75 Tbps added on subsea and 1.1 Tbps added on backhauls.

## G. Reliance Branch Connect launch

During the quarter, Reliance Branch Connect was launched. This is India's first 4G Enterprise VPN Solution. This 4G last mile for MPLS VPN with pan-India reach offers bandwidth options up to 2 Mbps; simple deployment with usage based plans; and bandwidth throttling to avoid bill shocks. Pre-launch orders received for about 1500 MPLS spoke locations from marquee enterprise customers across India.

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## 1.6. Update on Key Corporate Developments

**RCOM launched a comprehensive programme of all-round strategic transformation in the year 2015, with emphasis on industry consolidation, an asset light business model, future sustainability, and cost efficiencies. The programme is now at the final stages of completion.**

- **SSTL's consolidation into RCOM**

The proposed merger of SSTL's wireless operations with RCOM, marking the 1st in-country consolidation in the Indian telecom industry, is expected to be completed in June, 2017 with receipt of DoT approvals. The merger will add highly valuable 30 MHz of 850 band spectrum in 8 key circles, and will extend validity of spectrum in these circles for an additional period of 12 years, till 2033.

- **Spectrum trading and sharing deal with Jio**

Our 850 MHz spectrum trading and sharing arrangements with Reliance Jio have been fully implemented, and are now operational for the past over 6 months. This unique arrangement has enabled RCOM to deliver access and connectivity to a world class, nationwide 4G LTE network to millions of valued customers, with minimal capex and considerably lower operating costs.

- **Consolidation of RCOM's wireless business with Aircel**

The proposed consolidation of RCOM's wireless business with Aircel will place the merged wireless entity among the top 3 ranking operators in 12 important circles, and among the top 4 operators in India on the basis of customer base and revenues.

The combined entity will enjoy substantial benefits of scale, and capex and opex synergies with an estimated NPV of ~Rs. 20,000 crore. As part of this transaction, RCOM's overall debt will reduce by Rs 14,000 crore, together with transfer of liability for spectrum instalments of an additional approx. Rs. 6,000 crore.

We have received approvals from the Stock Exchanges, Securities and Exchange Board of India's (SEBI) and Competition Commission of India (CCI). The demerger and merger Scheme has been filed in the National Company Law Tribunal (NCLT). Approvals from the shareholders of both RCOM and Aircel have been duly received in the NCLT convened meeting during April 2017. The lenders' and other requisite consents are expected to be received in the next few months.

- **Monetisation of Tower Assets**

The proposed transaction for sale of the tower infrastructure owned by the Company to Brookfield has received requisite approvals from CCI. The business demerger and transfer scheme has been filed with the NCLT. Shareholders' approvals have been received in the NCLT convened meeting during April 2017, and lenders' and other consents are expected in the next few months.

RCOM will receive an upfront cash payment of Rs. 11,000 crore from the proposed transaction and the same will be fully utilised for reduction of debt. RCOM will also receive 49% future economic upside in the Towers business.

Upon completion of the Aircel merger and sale of the Tower business, RCOM's debt will stand reduced by approx. Rs 25,000 crore and the Company will hold highly valuable strategic stakes of 50% in the Aircel JV and 49% future economic upside in the towers business, providing future monetisation opportunities for significant further deleveraging.

Post these transactions, remaining substantially lower debt in RCOM would be serviced through RCOM's existing high growth and higher margin businesses in the domestic enterprise segment, Data Centers, optical fibre and international business in GCX. All these businesses have higher stability of revenues and stickier customer base with minimal churn. Further deleveraging through monetization of our prime real estate properties at Delhi and Navi Mumbai would be achieved.

### **1.7. Principal Operating Companies**

**Reliance Communications Limited** is the Flagship Company and is also the holding company for the other major operating companies in the Group. Reliance Communications provides wireless, wireline, broadband, multimedia and Internet access services and long distance services in India and overseas. Its major assets are the wireless network, transmission networks used in its business, and the contact centres. It provides GSM wireless services in 14 service areas.

**Reliance Telecom Limited** is a wholly owned subsidiary of Reliance Communications, offering GSM services in Madhya Pradesh, West Bengal, Himachal Pradesh, Odisha, Bihar, Assam, Kolkata and North East service areas.

**Reliance Infratel Limited** owns, operates, and develops telecom infrastructure, primarily consisting of wireless communication sites and towers. Reliance Infratel is currently a subsidiary of Reliance Communications through RCIL.

**Reliance Webstore Limited** is a wholly owned subsidiary of Reliance Communications and provides marketing and collection services.

**Reliance Globalcom B.V.** is a wholly owned subsidiary of Reliance Communications. Reliance Globalcom encompasses Enterprise Services, Capacity Sales, Managed Services and a highly successful bouquet of Retail products & services comprising of Global Voice, Internet Solutions and Value Added Services. Its major assets are the FLAG Atlantic, FLAG North Asia Loop, FLAG Europe Asia, FALCON and Hawk submarine cable systems.

**Reliance Big TV Limited (RBTv)** is a wholly owned subsidiary of Reliance Communications. RBTv is offering fully Digital Home Entertainment Service on the world's most advanced MPEG4 Direct-To-Home (DTH) Platform to deliver channels in High Definition (HD) like quality.

## 2. Financial Highlight

Financial results for the quarter ended 31 March 2017 as per Indian GAAP. These financial statements are the Company's first year Indian Accounting Standard (Ind AS) financial statements. The Company has adopted Ind AS with effect from 1 April 2016 with a transition date of 1 April 2015. The figures for the quarter ended 31 March 2016 have also been converted in accordance with principals of Ind AS.

The Company has given reconciliation of the effects of the transition on Statement of Profit and Loss for the quarter ended 31 March 2016 as previously reported and as per Ind AS. First Time Adoption of Ind AS as per Ind AS 101 permits accounting choices contained in Ind AS before its first annual financial statements for 2016 -17. Ind AS compliant financial result for previous year ended 31 March 2016 shall also be presented along with annual financial statements of 2016 -17.

Exchange rate, being the revaluation rate as announced by FEDAI, for conversion of Indian Rupees (Rs. / ₹ / INR) to United States Dollars (US\$) is –

31-03-16	31-12-16	31-03-17
66.26	67.93	64.85

## 2.1. Summarized Consolidated Statement of Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	31-03-16	31-12-16	31-03-17	
Total revenue	59,795	49,220	45,239	-8.1%
Net revenue	48,474	38,495	35,424	-8.0%
EBITDA	20,027	12,056	10,834	-10.1%
Cash profit from operations	14,507	6,756	4,449	-34.1%
Profit before tax	(1,600)	(9,171)	(12,923)	-
Net profit	897	(5,309)	(9,664)	-
<i>EBITDA margin (%)</i>	33.5%	24.5%	24.0%	

(US\$ Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	31-03-16	31-12-16	31-03-17	
Total revenue	903	725	698	-3.7%
Net revenue	732	567	546	-3.6%
EBITDA	302	177	167	-5.9%
Cash profit from operations	219	99	69	-31.0%
Profit before tax	(24)	(135)	(199)	-
Net profit	14	(78)	(149)	-
<i>EBITDA margin (%)</i>	33.5%	24.5%	24.0%	

**Note:** Due to exchange rate conversion difference the percentage change in US\$ will not be comparable with the percentage change in rupee table above.

## 2.2. Summarized Consolidated Balance Sheet

(Rs Million, except ratios)

Particulars	As at	As at
	31-12-16	31-03-17
<b>Assets</b>		
Net fixed assets, including capital work-in-progress	721,991	701,848
Investments	1,000	210
Total current assets (excluding cash & cash equivalents)	261,094	245,899
<b>Total assets</b>	<b>984,085</b>	<b>947,957</b>
<b>Liabilities and stockholders equity</b>		
Total current liabilities and provisions	265,726	250,292
Net debt	428,025	443,453
<b>Total liabilities</b>	<b>693,751</b>	<b>693,745</b>
Stockholders equity	286,546	250,211
Minority interest	3,788	4,001
<b>Total liabilities and stockholders equity</b>	<b>984,085</b>	<b>947,957</b>
<i>Net debt to stockholders equity (x)</i>	<i>1.49</i>	<i>1.77</i>
<i>Book value per equity share (Rs)</i>	<i>117</i>	<i>102</i>

(US\$ Million)

Particulars	As at	As at
	31-12-16	31-03-17
<b>Assets</b>		
Net fixed assets, including capital work-in-progress	10,629	10,823
Investments	15	3
Total current assets (excluding cash & cash equivalents)	3,844	3,792
<b>Total assets</b>	<b>14,488</b>	<b>14,618</b>
<b>Liabilities and stockholders equity</b>		
Liabilities and provisions	3,912	3,860
Net debt	6,301	6,838
<b>Total liabilities</b>	<b>10,213</b>	<b>10,698</b>
Stockholders equity	4,219	3,858
Minority interest	56	62
<b>Total liabilities and stockholders equity</b>	<b>14,488</b>	<b>14,618</b>

**Note:** Due to exchange rate conversion difference the percentage change in US\$ will not be comparable with the percentage change in rupee table above.



## 2.3. Summarized Statement of Operations by Segment

### 2.3.1. India Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	31-03-16	31-12-16	31-03-17	
<b>Gross Revenue</b>	<b>52,484</b>	<b>42,669</b>	<b>39,159</b>	<b>-8.2%</b>
- Voice	33,181	24,861	22,410	-9.9%
- Non Voice	15,451	15,910	13,947	-12.3%
- Others	3,852	1,898	2,802	47.6%
<b>Net Revenue</b>	<b>43,313</b>	<b>31,918</b>	<b>29,378</b>	<b>-8.0%</b>
<b>EBITDA</b>	<b>17,652</b>	<b>9,569</b>	<b>9,092</b>	<b>-5.0%</b>
EBIT	5,810	56	<b>(2,997)</b>	
EBITDA margin %	33.6%	22.4%	23.2%	
EBIT margin %	11.1%	0.1%	-7.7%	
Investment in Projects	9,161	5,829	14,349	

### 2.3.2. Global Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	31-03-16	31-12-16	31-03-17	
<b>Gross Revenue</b>	<b>12,815</b>	<b>11,323</b>	<b>9,882</b>	<b>-12.7%</b>
- Data	7,620	7,117	7,058	-0.8%
- Voice	5,195	4,204	2,825	-32.8%
<b>EBITDA</b>	<b>2,372</b>	<b>2,487</b>	<b>1,744</b>	<b>-29.9%</b>
EBIT	491	365	(104)	
EBITDA margin %	18.5%	22.0%	17.7%	
EBIT margin %	3.8%	3.2%	-1.1%	
Investment in Projects	391	222	882	

Note: "Net revenue" in 3.3.1 represents gross segment revenue less license fees and access charges.

## 2.4. Additional Segmental Information

(Rs Million, except ratios)

Segment	Qtr ended 31-03-16		Qtr ended 31-12-16		Qtr ended 31-03-17	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
India Operations	52,484	81%	42,669	79%	39,159	80%
Global Operations	12,815	19%	11,323	21%	9,882	20%
<b>Sub Total</b>	<b>65,299</b>	<b>100%</b>	<b>53,992</b>	<b>100%</b>	<b>49,041</b>	<b>100%</b>
Less: Eliminations	(5,504)		(4,772)		(3,802)	
<b>Total</b>	<b>59,795</b>		<b>49,220</b>		<b>45,239</b>	

## 2.5. Contribution to EBITDA by Segment

(Rs Million, except ratios)

Segment	Qtr ended 31-03-16		Qtr ended 31-12-16		Qtr ended 31-03-17	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
India Operations	17,652	87%	9,569	79%	9,092	84%
Global Operations	2,372	13%	2,487	21%	1,744	16%
<b>Total</b>	<b>20,024</b>	<b>100%</b>	<b>12,055</b>	<b>100%</b>	<b>10,836</b>	<b>100%</b>

## 2.6. Investment in Projects by Segment

(Rs Million, except ratios)

Segment	Cumulative to 31-03-17		Qtr ended 31-03-17	
	Amount	% of total	Amount	% of total
India Operations	1,005,084	88%	14,349	94%
Global Operations	141,195	12%	882	6%
<b>Total</b>	<b>1,146,279</b>	<b>100%</b>	<b>15,231</b>	<b>100%</b>

### 3. Key Performance Indicators

The financial figures used for computing ARPU and RPM are based on Indian GAAP. Definitions of terms are set out in Section 9.

Metric	Unit	Qtr ended	Qtr ended	Qtr ended
		31-03-16	31-12-16	31-03-17
<b>Voice</b>				
Total customer base	Mn	103.6	87.7	84.7
Net adds	Mn	1.5	(0.6)	(3.0)
VLR	%	90.0	85.0	79.6
Pre-paid % of customer base	%	95.8	96.1	96.4
Churn	%	3.8	5.8	6.5
Total Minutes of Usage	Bn mins	101.6	102.1	105.6
ARPU	Rs/Sub	157	154	141
Revenue per minute	Rs/Sub	0.477	0.399	0.344
Voice ARPU	Rs/Sub	107	94	87
Voice Usage per customer/ month	Min/Sub	329	387	408
Voice revenue per minute	Rs/min	0.326	0.243	0.212
<b>Total NLD minutes</b>				
Total NLD minutes	Mn Mins	16,700	16,316	15,630
<b>Total ILD minutes</b>				
Total ILD minutes	Mn Mins	5,127	5,197	4,584
<b>Data</b>				
Total data customers *	Mn	38.9	32.0	28.3
3G/4G customers #	Mn	24.2	23.4	20.8
Total data traffic	Mn MBs	104,743	93,747	79,554
Data usage per customer	MBs	899	931	880
Non-Voice as % of Telecom revenue	%	31.8	39.0	35.6
<b>Network Statistics</b>				
Service areas operational	Nos	22	22	22
Total sites on network** §	Nos	76,194	62,250	62,330
Total 3G sites	Nos	12,265	12,750	12,800

**Note:** KPIs are not restated as per IND AS for 31-03-16.

\* Total data subscribers: Any subscriber with data usage of more than one Mb in one month

# 3G/4G customers: Any subscriber having made atleast one revenue generating call or data usage of more than one Mb in one month.

\*\* Besides this, over 40,000 sites provide additional 2G/3G coverage through ICR arrangements with other operators.

§ 4G sites also operational under sharing arrangements with Jio.

## 4. Basis of Presentation of Financial Statements

### 4.1. Reporting Periods

The financial year end of Reliance Communications Limited is 31st March. Each financial year (“FY”) is referred to by the calendar year in which the particular financial year end occurs. The current financial year will be for a period of 12 months, commenced on 1 April 2016 and ending on 31 March 2017.

### 4.2. Consolidated and Segment Financial Results

#### 4.2.1. Revenues

Revenues of the Company have been reported in the following manner:

□ Consolidated Revenues and Segment Gross Revenues

Consolidated revenues of the Company have been classified as “Services and Sales” revenue. This represents revenues earned from the provision of services and from the sale of network infrastructure on an IRU basis.

For the purposes of segment reporting, revenues have been classified under two geographic segments namely “India Operations” and “Global Operations”. The lines of business included in each segment and the basis of segment revenue reporting is described in Section 5.3 below.

□ Elimination of Inter Segment Revenues

Revenues for each geographic segment are reported at gross level where inter segment revenue is also included. Hence, revenue of one segment, from inter segment source, is reported as the expense of the related segment. Elimination takes place in determining consolidated revenues for the Company.

For the purpose of determining transfer pricing between segments, open market wholesale rates for comparable services or, where applicable, rates stipulated by the regulatory authorities have been adopted.

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#### 4.2.2. Net Revenues by Segment

“Net Revenues” represent revenues earned less direct variable operating expenses in the nature of: (1) revenue share (including levies for Universal Service Obligation), and spectrum fees (referred to collectively as “License Fees”); and (2) charges for access, carriage, interconnection, and termination (referred to collectively as “Access Charges”).

Expenses included under License Fees are currently incurred as a percentage of adjusted gross revenue. Expenses included under Access Charges, on the basis of fixed or ceiling cost per minute, or are determined by commercial negotiation with other carriers and between our business segments, as appropriate.

Access Charges and license Fees are disclosed in aggregate as part of the classification of “Operating Expenses” in the consolidated statement of operations. Net Revenues are reported for each business segment.

#### 4.2.3. Operating Expenses

Operating expenses of the Company have been reported in the following manner:

- Consolidated and Segment Gross Operating Expenses

Consolidated operating expenses of the Company have been classified under four categories of costs, namely “Access Charges and license Fees”, “Network Operations”, “Employees”, and “Selling, General & Administrative”.

- Elimination of Inter Segment Expenses

Principles, as stated in 5.2.1 above, have been followed for reporting gross operating expenses of each segment and elimination of such expenses in determining consolidated EBITDA for the Company.

#### 4.3. Composition of Segments

We are reporting the financial results under the following two business segments:

- India Operations
- Global Operations

Financial results by segment include all products and services covered by the individual segment as described below.

##### 4.3.1. India Operations

This segment constitutes revenue arising and/ or accruing from Telecom Operations and service rendering activities based in India. This comprises of Telecom Revenue of Voice and Non Voice from consumer and enterprise customers. Apart from these, it also includes other revenue such as Direct to Home TV business, investments, interest, etc.

The voice and non voice market largely constitutes of wireless telecom business. The Wireless segment functions in a retail mode. Wireless services consist mainly of the following:

- 2G, 3G & 4G mobile services for individuals and corporate customers, including local and long distance voice, messaging, wireless internet access, wireless multimedia and value added services. Services are offered on both pre-paid and post paid bases.
- Fixed wireless phone and terminal services are mainly for residential customers, including local and long distance voice, messaging, wireless internet access, wireless multimedia, and value added services. Services are offered on both pre-paid and post paid bases.
- Our 3G & 4G services provide customers with a plethora of data applications like live mobile TV, Video-on-demand, video calling, video and music streaming, video conferencing, personalized RSS feeds and much more.
- Public calling offices and coin collection boxes for local and long distance voice using fixed wireless phones and terminals. Service is provided to independent retail operators of such facilities on a pre-paid basis.
- National inter-circle (NLD) carriage services for voice, data, and internet.
- NLD bandwidth and infrastructure services for other service providers.
- Managed contact centre solutions for call centres in India.
- Services provided through LMDS, WIMAX etc. and involving the provision of IT infrastructure are covered under this segment. Services are provided across various customer groups including residential, SMEs, and large corporates. Products and services include the following:
  - Voice Products: E1 DID, Centrex, PBX trunks, One Office Duo, Toll free, Intelligent Telephony Services, Audio Conferencing, and Fixed line phones.
  - Data products: VPN, leased lines, IPLCs, Ethernet, Video Conferencing, Remote Access VPN, Cloud Video Surveillance and broadband internet.

Assets allocated to this business segment include: radio equipment (base trans-receiver stations (BTSs), microwave towers, antennas, mobile switching centers (MSCs), and related electronics, software and systems for operations); intra-city access networks (ducts and optical fiber) other than in 44 cities; utilities, servers, customer premises equipment, and license fees.

NLD assets include: transport equipment and electronics; transmission networks connecting various Media Convergence Nodes (MCNs) across all circles; buildings, utilities, and license fees.

In-building wiring and building access networks from building access nodes in all locations where active; intra-city access networks (ducts and optical fiber) in 44 cities; internet data centers; digital loop carriers (DLC), routers, modems and related electronics; customer premises equipment (CPE) and license fees.

The “Others” segment comprises operations other than Telecom Operations. This includes income from Direct to Home TV business, investments, interest, etc.

Assets shown under “Others” mainly comprise properties owned by the Company, including the Dhirubhai Ambani Knowledge City, and property and fittings.

#### **4.3.2. Global Operations**

The Global Operations segment provides wholesale and retail voice and data services from many international locations. It provides the following services to the wireless segment of Reliance Communications on an inter segment basis and enterprises in India and across the globe:

- ❑ International long distance (ILD) carriage services for voice, data, and internet.
- ❑ IRUs and leased circuits for international voice and data connectivity through submarine cable systems, together with cable restoration and maintenance services.
- ❑ Global Ethernet services to enterprise customers across four industry verticals i.e. financial, legal, healthcare and Government
- ❑ International managed data services, including IP-VPN.
- ❑ Virtual international calling and voice content services provided by overseas operating units in Australia, Austria, Belgium, Canada, France, Hong Kong, India, Ireland, Netherlands, New Zealand, Singapore, Spain, United Kingdom and United States in a retail mode to individual customers for calling India and global destinations.
- ❑ Managed contact centre solutions for overseas call centres in India

Assets allocated to this segment include ILD assets: dedicated ports and switches, electronics, infrastructure at various points of presence and other cable systems not owned and operated by the Company. In addition, the submarine cable systems, cable landing stations, switching equipment for PoPs and associated facilities of FLAG, are included in this segment.

## 5. Financial Statements

Financial results for the quarter ended 31 March 2017 are as per Indian GAAP. An explanation of the basis of presentation is set out in Section 5. Previous quarter's figures have been re-grouped, re-arranged and re-classified wherever necessary.

### 5.1. Consolidated Results of Operations

(Rs. Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended
	30-03-16	31-12-16	31-03-17
<b>Total revenues</b>	<b>59,795</b>	<b>49,220</b>	<b>45,239</b>
Services and sales	59,795	49,220	45,239
<b>Total operating expenses</b>	<b>39,768</b>	<b>37,164</b>	<b>34,403</b>
Access charges, license fees & network operations	29,375	27,909	26,238
Employees	2,986	2,806	2,711
SG&A	7,408	6,450	5,454
<b>EBITDA</b>	<b>20,027</b>	<b>12,056</b>	<b>10,835</b>
Finance charges (net)	7,906	9,576	9,829
Depreciation / amortization	13,722	11,650	13,930
<b>Profit before tax</b>	<b>(1,600)</b>	<b>(9,171)</b>	<b>(12,923)</b>
Provision for tax (including Deferred tax)	(2,384)	(4,277)	(3,442)
<b>Net profit after tax (before adjustment of share of Minority Interest/ Associates)</b>	<b>785</b>	<b>(4,894)</b>	<b>(9,481)</b>
Share of Minority and associates	(112)	415	183
<b>Net profit after tax (after adjustment of share of Minority Interest/ Associates)</b>	<b>897</b>	<b>(5,309)</b>	<b>(9,664)</b>
Other Comprehensive Income for the period	(1,331)	468	(1,640)
<b>Total Comprehensive Income for the period</b>	<b>(434)</b>	<b>(4,841)</b>	<b>(11,304)</b>
<b>Ratios</b>			
<i>EBITDA margin (%)</i>	33.5%	24.5%	24.0%
<i>Net profit margin (%)</i>	1.5%	-10.8%	-21.4%



**5.2. Consolidated Balance Sheet**

(Rs. Million)

Particulars	As at	As at
	31-12-16	31-03-17
<b>ASSETS</b>		
<b>Current assets</b>		
Inventories	1,597	2,352
Trade receivables	40,764	32,512
Advances, Receivables and Other assets	185,596	174,332
<b>Total current assets (excluding cash and cash equivalents)</b>	<b>227,957</b>	<b>209,196</b>
Fixed assets including CWIP	721,991	701,848
<b>Total fixed assets</b>	<b>721,991</b>	<b>701,848</b>
Investments	1,000	210
Deferred Tax Asset	33,137	36,703
<b>Total assets</b>	<b>984,085</b>	<b>947,957</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Stockholders' equity</b>		
Share capital	12,441	12,441
Reserves and surplus *	274,105	237,770
<b>Total Stockholders' equity</b>	<b>286,546</b>	<b>250,211</b>
Minority Interest	3,788	4,001
Deferred Tax Liabilities	40,657	45,500
Other liabilities and provisions	225,069	204,792
<b>Debt</b>		
Foreign currency loans	222,973	201,406
Rupee loans	222,884	255,928
<b>Gross debt</b>	<b>445,856</b>	<b>457,334</b>
Less: Cash and cash equivalents including investments	17,831	13,881
<b>Net debt</b>	<b>428,025</b>	<b>443,453</b>
<b>Total liabilities and Stockholders' equity</b>	<b>984,085</b>	<b>947,957</b>

\* Net of Goodwill

### 5.3. Consolidated Statement of Cash Flows

(Rs. Million)

Particulars		Qtr ended	Qtr ended
		31-12-16	31-03-17
<b>Cash flows from operating activities:</b>			
Net profit/(loss) before tax	A	(9,171)	(12,923)
Add: Non cash/non operating items	B	<b>20,513</b>	<b>22,155</b>
Depreciation and amortization		11,650	13,930
Provision for doubtful debts		185	553
Finance charges (net)		8,988	9,402
(Profit)/loss on sale of investments		(310)	(1,730)
Cash generated from operations before working capital changes	A+B	<b>11,342</b>	<b>9,232</b>
(Increase)/decrease in working capital		3,802	(11,282)
Cash generated from operations		<b>15,144</b>	<b>(2,050)</b>
Tax refund / (paid)		(22)	1,996
Net cash provided/used by/in operating activities	C	<b>15,122</b>	<b>(54)</b>
<b>Cash flows from investing activities:</b>			
(Purchase)/sale of property, plant, and equipment (net)		(1,922)	(7,773)
(Purchase)/sale of investments (net)		126	(6,787)
Interest income / (expense) (net)		(10,652)	(13,981)
Net cash provided/used by/in investing activities	D	<b>(12,448)</b>	<b>(21,907)</b>
<b>Cash flows from financing activities:</b>			
Net cash provided/used by/in financing activities	E	<b>(3,295)</b>	<b>24,645</b>
<b>Cash and cash equivalents:</b>			
Beginning of the period	F	18,452	17,831
<b>End of the period</b>	<b>C+D+E+F</b>	<b>17,831</b>	<b>13,881</b>

## 6. Accounting Policies

Set out below are the significant accounting policies to the Consolidated Statement of Operations and the Consolidated Balance Sheet.

### 6.1. Principles of Consolidation

Consolidation has been carried out in compliance with the applicable Accounting Standards, viz., Ind AS 110 "Consolidated Financial Statements" as referred to in the Companies (Accounts) Rules, 2014.

### 6.2. Other Significant Accounting Policies

#### 6.2.1. Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention/ fair valuation under a Scheme approved by the Hon'ble High Court, in accordance with the generally accepted accounting principles (GAAP) in India and comply with Indian Accounting Standards specified under Section 133 the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (ICAI).

#### 7.2.2. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 6.2.3. Fixed Assets

Fixed assets are stated at cost net of cenvat/value added tax and include amount added on revaluation less accumulated depreciation, amortization and impairment loss, if any.

- ❑ The Company has, upon first time adoption of Ind AS, chosen the option of fair valuation of certain fixed assets and accordingly carried out retrospective application of Ind AS.
- ❑ All costs including financing cost until commencement of commercial operations relating to borrowings attributable to fixed assets, are capitalized.
- ❑ Expenses incurred relating to projects prior to commencement of commercial operation are considered as project development expenditure and shown under capital work-in-progress.
- ❑ In respect of operating leases, rentals are expensed with reference to lease terms and other considerations in compliance with provisions of the Ind AS 17 "Leases" issued by The Institute of Chartered Accountants of India, except for rentals pertaining to the period up to the date of commencement of commercial operations, which are capitalized.
- ❑ In respect of finance leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as liabilities for leased assets in compliance with the provisions of the AS 17 issued by The Institute of Chartered Accountants of India. The principal component in the lease rental in

respect of the above is adjusted against liabilities for leased assets and the interest component is recognized as an expense in the year in which the same is incurred except in case of assets used for capital projects where it is capitalized.

- Entry fees paid for telecom licenses and infeasible right of connectivity are stated at cost for acquiring the same less accumulated amortization. These are classified as part of fixed assets.

#### 6.2.4. Depreciation/Amortization

- Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act 2013 except in cases of cable systems, customer premises equipment and certain other assets for which useful life has been considered based on technical assessment. Depreciation is net of the amount adjusted from General Reserve in accordance with the Scheme.
- Depreciation on assets taken on finance lease is provided over the remaining period of lease from the commencement of commercial operations.
- Leasehold land is depreciated over the period of the lease term.
- Intangible assets, namely entry fees for telecom licenses are amortized equally over the balance period of licenses from the date of commencement of commercial services or acquisition. Infeasible rights of use are amortized on matching principle basis for the upfront revenue recognition.
- The depreciation schedule for various classes of assets is as follows:

Asset Class	Period (Years)
Leasehold Land	Over the lease period
Building	30 & 60
Optic Fiber Cable	35
Plant and Machinery	10-20
Furniture, Fixture and Office Equipment	5-10
Vehicles	5

#### 6.2.5. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

#### 6.2.6. Investments

Investments are classified into long term and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year, are classified as current investments.

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

#### **6.2.7. Inventories**

Inventories are valued at lower of cost or net realizable value. Cost of communication devices and accessories and stores and spares are determined on weighted average basis, or net realizable value whichever is less.

#### **6.2.8. Employee Retirement Benefits**

Gratuity and leave encashment liabilities are provided for based on actuarial valuation. While Company's contributions towards provident fund and superannuation fund are provided on actual contribution basis in accordance with the related stipulation.

#### **6.2.9. Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expense in the year in which they are incurred.

#### **6.2.10. Foreign Currency Transactions**

- ❑ Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ❑ Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the yearend rate and the rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- ❑ Non monetary foreign currency items are carried at cost.
- ❑ All long term foreign currency monetary items consisting of loans which relate to acquisition of depreciable capital assets at the end of the period/ year have been restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result has been added or deducted from the cost of the assets as per the notification issued by the Ministry of Company Affairs (MCA) dated 29th December, 2011 and 9th August 2012, and depreciated over remaining life of the capital asset. Exchange difference on other long term foreign currency loans is accumulated in "Foreign Currency Monetary item Translation Difference account" which will be amortized over the balance period of loans.
- ❑ Any income or expense on account of currency exchange difference, either on settlement or on translation, is recognized in the profit and loss account. Forex loss/ gain in case of monetary items other than mentioned above, is debited/ credited to Profit and Loss Account.
- ❑ Any income or loss arising out of marking derivative contracts to market price is recognized in the profit and loss account.

#### **6.2.11. Revenue Recognition**

Revenue (income) is recognized as and when the services are performed on the basis of actual usage of the Company's network. Revenue on upfront charges for services with lifetime validity and fixed validity periods are recognized over the estimated useful life of subscribers and specified fixed validity period, where significant. The estimated useful life is consistent with estimated churn of the subscribers. Revenue from indefeasible rights of use (IRU) granted for network capacity is recognized as license income on activation of circuits over the period of the contract.

#### **6.2.12. Provision for Doubtful Debts**

Provision is made in the accounts for doubtful debts based on Expected Loss Model as required under Ind AS.

#### **6.2.13. Miscellaneous Expenditure**

Miscellaneous expenses are charged to profit and loss account as and when they are incurred.

#### **6.2.14. Taxes on Income**

Provision for income tax is made on the basis of estimated taxable income for the year at current rates. Tax expenses comprise both current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

#### **6.2.15. Government Grants**

Subsidies provided by Government for providing telecom services in rural areas are recognized as other operating income.

#### **6.2.16. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## 7. Notes to Accounts

1. Figures of the previous period have been regrouped and reclassified, wherever required
2. Pursuant to the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Judicature at Bombay, variation on account of changes in exchange rates including amortisation of the balance in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and depreciation consequent to addition of exchange differences to the cost of capitalised assets aggregating to ₹ 60 crore and ₹ 714 crore during the quarter and year ended March 31, 2017 respectively, have been withdrawn from General Reserve. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortization of ₹ 570 crore and ₹ 1,205 crore, arising on fair value of the assets, for the quarter and year ended March 31, 2017 respectively, by withdrawing an equivalent amount from General Reserve and the charge disclosed in the Financial Results is net of such withdrawal.
3. Pending formal confirmation by the lenders for waiver of certain loan covenants, the loan amount has been continued to be classified as non-current liabilities.
4. Net Worth: ₹ 27,479 crore, as on March 31, 2017.

## 8. Glossary

### Key Performance Indicators and Financial Terms

Key Performance Indicators	
ARPU	Computed by dividing total India telecom operations revenue for the relevant period by average customers; and dividing the result by the number of months in the relevant period.
Voice ARPU	Computed by dividing total India voice revenue for the relevant period by average customers; and dividing the result by the number of months in the relevant period.
Churn	Computed by taking average monthly disconnections divided by opening monthly subscriber base in the relevant period. Churn is expressed as a percentage.
Total minutes of usage (MoU)	Sum of all incoming and outgoing minutes used on the access network by all customers in aggregate.
Voice Usage per customer (min/sub)	Total voice minutes divided by average number of customers on the network in the relevant period. The result is expressed as the average per customer per month.
Revenue per minute (RPM)	ARPU divided by the average voice usage customer per month.
Voice revenue per minute (RPM)	Voice ARPU divided by the average voice usage customer per month.
ILD minutes	Total of incoming and outgoing international long distance minutes carried on the network. This includes minutes originating or terminating in India, international transit minutes, and global calling card minutes.
NLD minutes	Total of national long distance minutes carried by the Company under NLD license
Total data subscribers	Any subscriber with data usage of more than one Mb in one month.
Total data volume	Data usage by data subscribers in the relevant period.
Data usage per customer	Total data usage divided by average number of data subscribers on the network in the relevant period. The result is expressed as the average per customer per month.
3G/4G customers	Any subscriber having made at least one revenue generating call or data usage of more than one Mb in one month.
Financial Terms	
Net revenue	Total revenue less (1) revenue share and spectrum fees (referred to as "License Fees") and (2) interconnect usage charges (referred to as "Access Charges").
Cash profit from operations	Is defined as the profit after tax plus depreciation and amortization.



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