

RELIANCE

Communications

Annual Report 2016-17



Padma Vibhushan
Shri Dhirubhai H. Ambani
(28th December, 1932 - 6th July, 2002)
Reliance Group - Founder and Visionary

Profile

Reliance Communications Limited is the flagship Company of Reliance Group, one of the leading business houses in India.

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company has a customer base of over 95 million including over 2.6 million individual overseas retail customers. Reliance Communications corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 global, regional and domestic carriers.

Reliance Communications has established a pan-India, next generation, integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting best-of-class services spanning the entire communications value chain, covering over 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 280,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

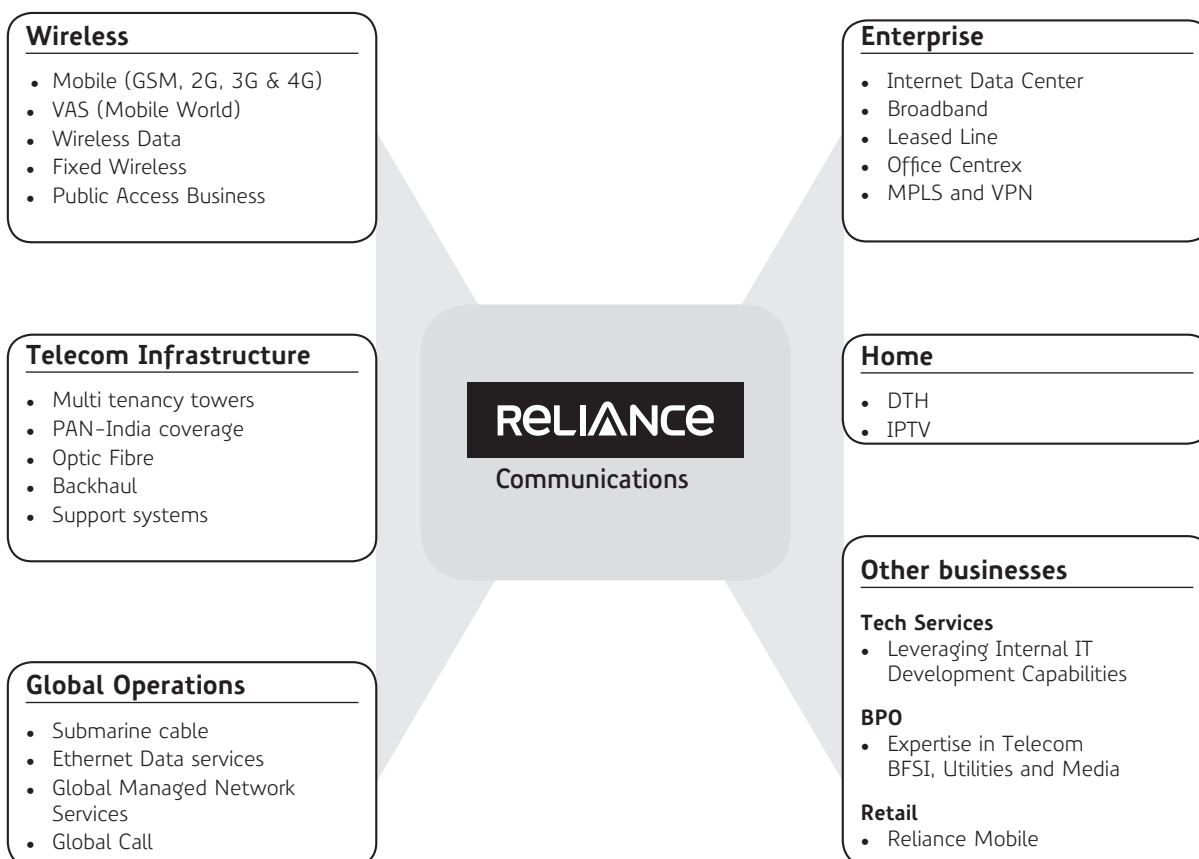
Mission: Excellence in Communication Arena

- To attain global best practices and become a world-class communication service provider – guided by its purpose to move towards greater degree of sophistication and maturity.
- To work with vigour, dedication and innovation to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- To earn the trust and confidence of all stakeholders, exceeding their expectations and make the Company a respected household name.
- To consistently achieve high growth with the highest levels of productivity.
- To be a technology driven, efficient and financially sound organisation.
- To contribute towards community development and nation building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and above all, the people.
- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

This Report is printed on environment friendly paper.

Reliance Communications Limited

Business Mix



Reliance Communications Limited

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Key Managerial Personnel		
Shri Manikantan V. – Chief Financial Officer		
Shri Prakash Shenoy – Company Secretary and Manager		
Auditors		
M/s. Pathak H. D. & Associates		
M/s. B S R & Co. LLP		
Registered Office		
H Block, 1 st Floor		
Dhirubhai Ambani Knowledge City		
Navi Mumbai 400 710		
CIN: L45309MH2004PLC147531		
Tel.: +91 22 3038 6286		
Fax: +91 22 3037 6622		
E-mail: Rcom.Investors@relianceada.com		
Website: www.rcom.co.in		
Registrar and Transfer Agent		
Karvy Computershare Private Limited		
Karvy Selenium Tower – B, Plot No. 31 & 32		
Survey No. 116/22, 115/24, 115/25		
Financial District, Nanakramguda		
Hyderabad 500 032		
Website: www.karvy.com		
Investor Helpdesk		
Toll free no (India) : 1800 4250 999		
Tel. : +91 40 6716 1500		
Fax : +91 40 6716 1791		
E-mail : rcom@karvy.com		

13th Annual General Meeting on Tuesday, September 26, 2017 at 4.00 p.m. or soon after conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020

The Annual Report can be accessed at www.rcom.co.in

Reliance Communications Limited

Letter to Shareowners



My dear fellow Shareowners,

Under the leadership of Hon'ble Prime Minister, Shri Narendra Modi, the Indian economy has continued its high growth momentum. The recent measures by the government including demonetization and nationwide roll-out of GST, inter-alia, will improve the ease of doing business in India and would instill greater confidence among investors to enhance their participation in the Indian growth story

Last financial year 2016-17 was a financially challenging year for the entire telecom sector. The hyper competition in the sector brought significant disruption and impacted the sector's operational and financial health. All operators' financial performance in the sector has been adversely impacted. Your Company has also seen the impact on its revenues and profitability.

Your Company is implementing a well-planned 4G strategy that will provide world class services to its valued customers. We expect to see significant growth in our data business with the proliferation of our 4G LTE services, and this will be the driver of growth for the wireless business in the future, together with the proposed demerger with Aircel.

Operating Segments

RCOM is India's foremost integrated communications service provider in the private sector with nearly 95 million individual, enterprise, and carrier customers. Our business is organized into two strategic segments – India Operations and Global Operations.

• India Operations

In India, RCOM mainly provides wireless telecom services to the consumer segment. We also provide voice, long distance services and broadband access to enterprise customers. In addition, our business includes managed internet data centers and direct to home business as well. We provide 2G, 3G and 4G services.

• Global Operations

The Global Business Unit offers a comprehensive portfolio of solutions customized for carriers, enterprises and new media companies. The business segments comprise Carrier, Enterprise and Consumer business units. Our undersea cable system, spanning ~67,000 kms and seamlessly integrated with ~190,000 kms of domestic optic fiber backbone, provides a robust Global Service Delivery Platform. We are well equipped to support global businesses through the deployment of next generation Enterprise solutions across our Cloud Delivery ecosystem.

• Performance review

The key financial highlights for the year under review on a consolidated basis are:

- Total revenue of ₹ 19,949 crore (US\$ 3,076 million)
- Total EBITDA of ₹ 5,392 crore (US\$ 832 million)
- Net Loss after tax ₹ 1,283 crore (US\$ 198 million)
- Total assets of ₹ 99,731 crore (US\$ 15,379 million)

Shareholders' equity was ₹ 28,569 crore (US\$ 4,405 million), while net debt (excluding cash and cash equivalents) was ₹ 44,345 crore (US\$ 6,838 million), giving a net debt to equity ratio of 1.55 times.

Strategic Initiatives

Your Company is actively pursuing an asset light strategy with focused execution of various consolidation and asset monetization initiatives. During the year and in the last few months your Company has made progress in execution of these transactions.

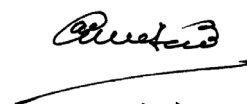
1. Sale of Tower Business: Your Company signed the Definitive Agreements with Brookfield, a leading global infrastructure asset manager with over \$250 billion of assets under management, in December 2016 in relation to the proposed sale of RCOM's nationwide tower assets and related infrastructure. The Shareholders' approvals have been received in the National Company Law Tribunal (NCLT) convened meeting. The Transaction has received the Competition Commission of India's (CCI) approval. The Scheme Petition has been filed with the NCLT.
2. Combination of Wireless Business: The combination of RCOM's wireless business with Aircel will create a strong telecom operator. As part of this transaction your Company's overall debt will reduce by nearly 40% of its total debt. The Definitive Agreements were signed in September, 2016. We have received Stock Exchanges', Securities and Exchange Board of India's (SEBI) and CCI approvals. Shareholders' approvals have also been received in the NCLT convened meeting. The Scheme Petition has been filed with the NCLT.

Letter to Shareowners

3. Merger of wireless business of SSTL : The Merger of SSTL's wireless operations with RCOM marks the 1st consolidation in the Indian Telecom Industry. We are in the final stage of approvals for acquiring SSTL's wireless operations, with Department of Telecommunications' (DoT) approval expected shortly. We will shortly begin the process to integrate SSTL's operations with RCOM with migration of the customers to Reliance 4G services.

Our Commitment

We are confident about the growth outlook of the Indian telecom sector and the opportunities for your Company, despite the high levels of competitive intensity presently being observed in the industry. Our founder, the legendary Shri Dhirubhai H. Ambani, gave us a simple mantra - "to aspire to the highest global standards of quality, efficiency, operational performance and customer care". We remain committed to upholding that vision and creating greater value in the long term for all our stakeholders.



Anil Dhirubhai Ambani
Chairman

Reliance Communications Limited

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Notice is hereby given that the 13th Annual General Meeting of the Members of **Reliance Communications Limited** will be held on Tuesday, September 26, 2017 at 4.00 p.m. or soon after conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400020 to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a) the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon, and
 - b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon.
2. To appoint a Director in place of Smt. Manjari Kacker (DIN 06945359), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
3. To ratify the appointment of the Auditors in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act') (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force) and the relevant Rules made there under, as amended from time to time, the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) who have been appointed as the Auditors to hold office from the conclusion of the 12th Annual General Meeting for a term of five consecutive years till the conclusion of the 17th Annual General Meeting, and who have confirmed their eligibility for the appointment pursuant to Section 141 of the Act, as Statutory Auditors of the Company be and is hereby ratified."

Special Business:

4. **Private Placement of Non-Convertible Debentures and/ or other Debt Securities.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") read with the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (SEBI) (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable SEBI regulations and guidelines, and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of

the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s) to subscribe Secured / Unsecured / Redeemable Non-Convertible Debentures (NCDs) including but not limited to subordinated debentures, bond, and/or other debt securities, etc., on a private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing and to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary and to sign, execute and amend any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard."

5. **Payment of remuneration to Cost Auditors for the financial year ending March 31, 2018.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) M/s. V. J. Talati & Co., Cost Accountants (Firm Registration Number 00213), appointed as the Cost Auditors of the Company for auditing the cost accounting records of the Company for the financial year ending March 31, 2018, be paid remuneration of ₹ 2.50 lac (Rupees two lac fifty thousand only) excluding tax and out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Increase in Authorised Share Capital and Alteration of Memorandum of Association of the Company.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the provisions of Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from existing ₹ 2500,00,00,000 (Rupees Two Thousand Five Hundred Crore) divided into 500,00,00,000 (Five Hundred Crore) equity shares of ₹ 5/- (Rupees Five only) each to ₹ 5000,00,00,000 (Rupees Five Thousand Crore only) divided into 1000,00,00,000 (One Thousand Crore) Equity shares of

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₹ 5/- (Rupees Five only) each with the power to the Board of the Directors to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

"V. The Authorized Share Capital of the Company is ₹ 5000,00,00,000 (Rupees Five Thousand Crore only) divided into 1000,00,00,000 (One Thousand Crore) Equity shares of ₹ 5/- (Rupees Five only) each with the power to the Board of Directors to increase or reduce the capital of the Company and/ or the nominal value of the shares and to divide or sub-divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights, as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors or the Company in General Meeting, as applicable, in conformity with the provisions of the Act and the rules made there under and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and to issue shares of higher or lower denominations in such manner as may for the time being be provided by the Articles of Association of the Company."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

7. **Adoption of new Articles of Association of the Company.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to undertake all such acts, deeds, matters and things as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard without requiring the Board to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

8. **Approval for issue and allotment of equity shares to the lenders by way of conversion of loans in terms of Strategic Debt Restructuring Scheme.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) ("the Act") read with the Rules made there under, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), the Reserve Bank of India's (the "RBI") circulars on the "Strategic Debt Restructuring Scheme" ("SDR Scheme") including those dated June 8, 2015, September 24, 2015, February 25, 2016, May 5, 2017 and/or any other scheme(s) issued by the RBI from time to time ("RBI Circulars") and any other applicable rules, regulations, guidelines, notifications, amendments issued by Government of India, Securities and Exchange Board of India ("SEBI"), RBI and any other regulatory or other appropriate authorities and subject to such condition(s) and modification(s) as may be prescribed or as may be imposed by one or more of them while granting any such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers including the powers conferred under this Resolution or any person duly authorized by the Board in this behalf) and enabling provisions of the Memorandum and Articles of Association of the Company, the consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue and allot from time to time in one or more tranches, on preferential basis, such number of Equity Shares of face value of ₹ 5/- (Rupees Five only) each of the Company that will represent minimum 51% (fifty one percent) or such other or higher number of the then fully diluted equity share capital of the Company, to the banks, financial institutions or other lenders, whether domestic or foreign, of the Company (hereinafter referred to as the "Lenders", which word shall be deemed to include their successors and assigns, and any such Lenders acting through any authorized representative, agent, trust etc. appointed by such Lender(s) or any assignee of such Lender(s)) by full / part conversion of the Company's borrowings availed by issue of debentures/bonds/ notes and/or by way of financial facilities in the nature of short term/long terms loans, bridge loans, working capital loans, cash credit, bank guarantees, letters of credit, or other forms of secured and/or unsecured financial facilities, together with all overdue and current principal amounts and interests at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, fees, and all other charges and monies payable by the Company

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(hereinafter collectively referred to as the "Loans") in terms of the agreements or other documents entered into between the Company and the Lenders in respect of the said Loans, in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, deem appropriate.

RESOLVED FURTHER THAT the authority, and liberty be and is hereby specifically conferred on the Board without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, to finalise and decide, from time to time, the exact number of equity shares that may be issued and allotted to Lenders in full / part conversion of their Loans, in consultation with the Lenders and/or Joint Lenders Forum (hereinafter referred to as the "JLF") as the case may be, in accordance with the SDR Scheme. In the event, any Lender does not convert its outstanding overdue to equity in accordance with the RBI Circulars, the other Lenders shall have the option to increase their conversion amount, subject to maximum of such non-converted amount.

RESOLVED FURTHER THAT the aforesaid shares be issued to the Lenders at a price of ₹ 24.71 per share or such other price as is computed in accordance with the SDR Scheme, with June 2, 2017 being the Reference Date.

RESOLVED FURTHER THAT the new Equity Shares arising out of the proposed issue shall be listed on the Stock Exchanges where the existing Equity Shares of the Company are listed and shall rank pari-passu in all respects with the existing Equity Shares in the Company save and except to dividend that may be declared and paid in relation to the financial year in which the new Equity Shares are issued, which shall rank pro-rata from the respective date(s) of the allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions including pursuing/implementing the full resolution plan finalized with the Lenders including the JLF and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient and that the Board be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated in the above resolution or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation thereto including issuing clarifications to the concerned statutory, regulatory and other appropriate authorities (including but not limited to Lenders, SEBI, RBI, JLF etc.), and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, to execute necessary documents and enter into contracts, arrangements, and to authorize all such persons at the absolute discretion of the Board, as may be necessary, in connection therewith and incidental thereto without being required to seek any further consent or approval of the

members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, and without prejudice to the generality of the foregoing resolutions, the Board be and is hereby authorised to finalise disclosure documents to be filed with the Registrar of Companies in the form and manner as prescribed under the Form PAS - 4 as set out in Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as prescribed under Section 42 of Act and the relevant stock exchanges on which the Equity Shares are to be listed and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in that regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) or authorized representatives of the Company respectively and to do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including execution of any documents on behalf of the Company and to represent the Company before any governmental, regulatory and other appropriate authorities and to appoint any advisors, consultants for the purpose of implementation of the aforesaid Resolution."

By Order of the Board of Directors

Prakash Shenoy
Company Secretary

Registered Office:

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN:L45309MH2004PLC147531
Website: www.rcm.co.in

August 12, 2017

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of herself / himself and the proxy need not be a member of the Company. The instrument appointing the Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting. A Proxy form is sent herewith.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as