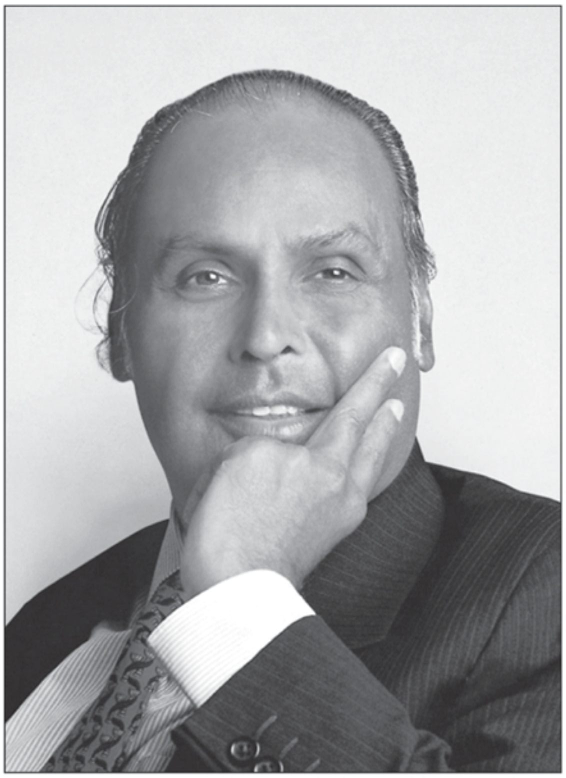
Reliance

Communications

Annual Report

2017-18

(Abridged)



Padma Vibhushan

Shri Dhirubhai H. Ambani

(28th December, 1932 – 6th July, 2002)

Reliance Group – Founder and Visionary

Profile

Reliance Communications Limited is a constituent of Reliance Group, one of the leading business houses in India.

Reliance Communications has established a pan-India, next generation, network that is capable of supporting best-of-class services spanning the entire communications value chain. 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.

Business Mix

Internet Data Center

- Colocation
- Managed Services
- Cloud Services

Enterprise

- Broadband
- Leased Line
- Office Centrex
- MPLS and VPN

RELIANCE
Communications

Global Operations

- Subsea cable infrastructure
- Global Managed Network Services
- IP & Cloud connectivity

ILD Voice

- Carrier Voice
- Global Call

Board of Directors

Shri Anil Dhirubhai Ambani	– Chairman
Prof. J. Ramachandran	
Shri Deepak Shourie	
Shri A. K. Purwar	
Shri R. N. Bhardwaj	
Smt. Manjari Kacker	
Smt. Ryna Karani	
Smt. Chhaya Virani	
Shri Suresh Rangachar	
Shri Punit Garg	– Executive Director
Shri Manikantan V.	– Director and Chief Financial Officer

Company Secretary and Compliance Officer

Shri Prakash Shenoy

Auditors

M/s. Pathak H. D. & Associates

Registered Office

H Block, 1st 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

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14th Annual General Meeting on Tuesday, September 18, 2018 at 9.30 A.M.
at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020

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

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. According to the International Monetary Fund, India is forecast to grow at 7.4% in 2018, making us the fastest-growing economy in the world. Series of new initiatives initiated by the Government have moved India into world's top countries towards ease of doing business. The global economy is also growing at its fastest pace and expected to strengthen further in years to come.

The Indian telecom sector saw significant challenges for the most part of Financial Year 2017-18, as free voice calls and ultra-cheap data access saw operators forcibly rein in tariffs. Hyper-competition in the sector brought significant disruption and impacted the sector's operational and financial health. As evident from the latest sector revenue report released by the TRAI, the wireless sector continued to be on a downward spiral, with more than 21% revenue decline on Year-on-Year basis and revenue market size contracting by over ₹ 26,000 crores on an annualized basis. As a result, all operators' financial performance, including your Company, was adversely impacted for the second year in a row. The Company exited the wireless B2C business on January 31, 2018.

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 steady progress in execution of these transactions:

Strategic Corporate Transactions

- **RCOM's acquisition of Sistema Shyam Teleservices Limited - the first consolidation in the Indian telecom sector**

  The Board of Directors of the Company on October 31, 2017, took on record the merger of Indian telecom business of Sistema Shyam Teleservices Limited (SSTL) in to the Company and allotted equity shares to the tune of 10% of the equity shareholding of the Company to SSTL.

- **Debt Restructuring and Asset Monetization Plans**

  As stated, the challenges being faced by the telecom sector have resulted in industry-wide muted growth in revenues, stagnant margins and free cash flows. This impacted the Company as well, leading to a default on debt servicing obligations. After due deliberations, the Company and its two subsidiaries lenders on June 2, 2017 constituted a Joint Lenders' Forum and invoked the SDR Scheme in accordance with the guidelines issued by the Reserve Bank of India.

  Subsequently, RCOM has taken significant steps to reduce debt and improve long-term sustainability. We closely worked with the lenders to monetize many of our assets, such as wireless spectrum, towers, fiber, media convergence nodes (MCNs) and sundry real estate. Dhirubhai Ambani Knowledge City (DAKC) campus in Navi Mumbai is planned to be developed under fintech policy of Govt. of Maharashtra. The Company plan to develop 30 million sq.ft. of commercial space over next 10-12 years and lease it to corporate and commercial establishment.

  The proceeds of this asset monetization will be used to repay debt and reduce liabilities. RCOM expects to complete this monetization plan by last quarter of 2018, thereby achieving overall significant debt reduction from this first phase of the asset monetization plan.

Operating Segments

Following the closure of B2C wireless business, Reliance Communications Limited (RCOM), is now a pure-play enterprise telecommunications service provider at the forefront of enabling a digital revolution across India and globally, with a sharp focus on the Emerging Markets of Asia-Pacific and the Middle East. RCOM is no longer affected by the severe and prolonged wireless sector hyper competition.

RCOM conducts a substantial portion of its business through subsidiary companies, including Global Cloud Xchange (GCX), Reliance Communications Infrastructure Limited (RCIL) and Reliance Infratel Limited (RITL). RCOM together with its subsidiary companies, is a proven leading global communications services provider, with businesses including a vast global subsea cable business; a global on-Net Cloud ecosystem; extensive India and global enterprise business; India Data Center business (IDC) and the India National Long Distance (NLD) business.

RCOM already owns the very fabric that will deliver the next generation of applications and services to Enterprises, Carriers, OTTs and Government entities. The highly valuable assets in your Company comprise extremely difficult to replicate infrastructure including the global subsea cable system connecting 27 countries, pan-India Intercity and Intracity terrestrial fiber optic network, one of the largest data center footprints in India and a global managed services delivery platform catering to leading multinational companies.

Letter to Shareowners

As a pure B2B player, RCOM is best positioned to capture disproportionate market share in the fast growing enterprise data and data center market in India and will reimain focused on:

1. stable enterprise communications services and the rapidly growing data center space in India.
2. global subsea cable business in enterprise data across continents, with over 300 enterprise and carrier customers worldwide.
3. serve approximately 35,000 customers worldwide vis-à-vis 12 crore customers inclusive of B2C earlier;
4. employ approximately 3,400 employees vis-à-vis peak of 52,000, a reduction of 94%.

With above focus, RCOM operational business will remain fully insulated from the hyper competition, mega capex requirements, financial stress of the wireless sector. Going forward, investments in improving network and spectrum efficiency, network coverage, content, Cloud, virtualization and analytics will drive revenue growth and profitability.

Performance review

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

- Total revenue of ₹ 4,684 crore (US$ 719 million)
- Total EBITDA of ₹ 899 crore (US$ 138 million)
- Net loss after tax of ₹ 24 crore (US$ 4 million)
- Total assets of ₹ 74,578 crore (US$ 11,443 million)

Shareholders equity was ₹ 2,783 crore (US$ 427 million) while the net debt (excluding cash and cash equivalent) was ₹ 46,470 crore (US$ 7,130 million), giving a net debt to equity ratio of 16.7 times.

Reliance Group

Reliance Communications Limited, is a constituent of the Reliance Group which is a prominent business house, widely recognized in India and abroad as one of the leading creators of projects of national importance in infrastructure, power generation, transmission & distribution, financial services, defence manufacturing, entertainment and telecommunications, amongst others.

The Reliance Group has the largest investor base in India with over 15.5 million retail investors. Reliance Group has over 75,000 employees and serves over 200 million customers. The Reliance Group has assets under management of over ₹ 4.5 lakh crore and also manages Government of India's Employees' Provident Fund Organisation (EPFO), Pension Fund Regulatory and Development Authority (PFRDA) and Coal Mines Provident Fund Organisation (CMPFO) Funds.

Currently, the Reliance Group has assets worth ₹ 3,50,000 crore, net worth of ₹ 70,000 crore and cash flows of over ₹ 21,000 crore.

Our Commitment

We are confident about the growth outlook of the Indian telecom sector and the opportunities for your Company in the enterprise data and data center market, despite the high levels of competitive intensity presently being observed. Our founder, the legendary Padma Vibhushan 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

Notice

Notice is hereby given that the 14th Annual General Meeting of the Members of **Reliance Communications Limited** will be held on Tuesday, September 18, 2018 at 9.30 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 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, 2018 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, 2018 and the report of the Auditors thereon.

Special Business:

2. **To revise borrowing limits of the Company.**

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

   "**RESOLVED THAT** in supersession of the special resolution passed by the Members on September 16, 2014, and pursuant to the provisions of Section 180(1)(c) 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 provisions of the Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall include any Committee which the Board may have constituted or hereinafter constitute, to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to borrow any sum or sums of money, in Indian Rupees and / or in any foreign currency from time to time, at its discretion, for the purpose of business of the Company or such other approved purpose, which together with the monies already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of ₹ 50,000 crore (Rupees Fifty Thousand crore only) and that the Board be and is hereby empowered and authorised to arrange or finalise the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may in its absolute discretion determine.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to execute such agreements, undertakings and other documents and to do all such acts, deeds and things as may be necessary for giving effect to this resolution."

3. **Ratification of remuneration payable to Cost Auditor for the financial year ending March 31, 2019.**

   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 thereunder (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, 2019, be paid remuneration of ₹ 2.50 lakh (Rupees two lakh fifty thousand only) excluding tax and out of pocket expenses, if any.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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."

4. **Appointment of Shri Punit Garg as an Executive Director.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company and as per terms and conditions of the Agreement executed with him, Shri Punit Garg (DIN: 00004407), who was appointed as an additional director and designated as an Executive Director by the Board of Directors of the Company at their meeting held on October 2, 2017, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

   RESOLVED FURTHER THAT in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and subject to such other sanctions as may be necessary, consent of the Members be and is hereby accorded to the appointment of Shri Punit Garg as a Wholetime Director designated as an Executive Director of the Company for a period of three years commencing from October 2, 2017 as per the terms and conditions including the remuneration as set out in the Statement annexed to this Notice, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereinafter constitute, to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of said appointment including the remuneration payable to him during the tenure of his appointment such that the remuneration payable to him shall not exceed the limits specified in the Act read with Schedule V of the Act as amended from time to time.

RESOLVED FURTHER THAT the Board, based on the recommendation of the Nomination and Remuneration Committee of the Board, be and is hereby authorized to provide annual increment / performance linked incentive payable to the Executive Director during his tenure of appointment, subject to such increase being within the limits specified in the Act read with Schedule V thereto as amended from time to time.

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

5. **Appointment of Shri Manikantan V. as a Director and Chief Financial Officer.**

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

"**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company and as per terms and conditions of the Agreement executed with him, Shri Manikantan V. (DIN: 03338690), who was appointed as an additional director and designated as Director and Chief Financial Officer by the Board of Directors of the Company at their meeting held on October 2, 2017, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and subject to such other sanctions as may be necessary, consent of the Members be and is hereby accorded to the appointment of Shri Manikantan V. as a Whole-time Director designated as a Director and Chief Financial Officer of the Company for a period of three years commencing from October 2, 2017 as per the terms and conditions including the remuneration as set out in the Statement annexed to this Notice, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereinafter constitute, to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of said appointment including the remuneration payable to him during the tenure of his appointment such that the remuneration payable to him shall not exceed the limits specified in the Act read with Schedule V of the Act as amended from time to time.

RESOLVED FURTHER THAT the Board, based on the recommendation of the Nomination and Remuneration Committee of the Board, be and is hereby authorized to provide annual increment / performance linked incentive payable to the Director and Chief Financial Officer during his tenure of appointment, subject to such increase being within the limits specified in the Act read with Schedule V thereto as amended from time to time.

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

6. **Appointment of Smt. Chhaya Virani as an Independent Director.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act'), read with Schedule IV of the Act and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee of the Board, Smt. Chhaya Virani (DIN: 06953556), who was appointed as an additional director by the Board of Directors at their meeting held on November 11, 2017, and who hold office up to the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for appointment as a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years from the date of coming into effect of this resolution."

7. **Appointment of Smt. Ryna Karani as an Independent Director.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act'), read with Schedule IV of the Act and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee of the Board, Smt. Ryna Karani (DIN: 00116930), who was appointed as an additional director by the Board of Directors at their meeting held on November 11, 2017, and who hold office up to the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for appointment as a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years from the date of coming into effect of this resolution."

8. **Appointment of Shri Suresh Rangachar as a Director.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules made thereunder (hereinafter referred to as 'the Act') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Nomination and Remuneration Committee of the Board, Shri Suresh Rangachar (DIN: 00020887), who was appointed as an additional director by the Board of Directors at their meeting held on November 11, 2017, and who hold office up to the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. **Appointment of Smt. Manjari Kacker as an Independent Director.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act'), read with Schedule IV of the Act and the relevant Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee of the Board, Smt. Manjari Kacker (DIN: 06945359) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for appointment as a Director and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years from the date of coming into effect of this resolution."

10. **Alterations to the 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 other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for alterations to the Articles of Association of the Company by deleting certain definitions in Article 1, Article 21A to 21H, Article 43A, Article 91, Article 92 and that existing Article 93 to Article 121 be renumbered as Article 91 to Article 119, as set out under the Statement pursuant to Section 102(1) of the Act annexed to the notice convening this meeting.

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 their 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."

11. **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 series / 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, redemption period, utilisation of the issue proceeds 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."

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.rcom.co.in

July 18, 2018

Notes:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act'), 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.**

3. A person can act as proxy on behalf of members not exceeding fifty and holding in 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 proxy and such person shall not act as proxy for any other shareholder. The holder of proxy shall be required to prove his identity at the time of attending the Meeting.

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified true copy of their board resolution authorising their representative(s) together with their specimen signature(s) to attend and vote on their behalf at the Meeting.

5. Attendance Slip, Proxy form and the Route Map of the Venue of the Meeting are annexed hereto.

6. Members / Proxies are requested to bring their duly filled attendance slip annexed herewith along with their copy of the annual report to the Meeting.

7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

8. Members who hold share(s) in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

9. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are referred to as "Listing Regulations" in this Annual Report.

10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. up to the date of the Meeting. The certificate from the Auditors of the Company confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Company's ESOS Plan will be available for inspection at the Meeting.

11. The Company's Register of Members and Share Transfer Books will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of the Meeting.

12. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.

13. Members holding shares in physical form are requested to advise any change of address or bank mandates immediately to the Company / Registrar and Transfer Agent, Karvy Computershare Private Limited.

14. Non-Resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:

    a. the change in the residential status on return to India for permanent settlement; and

    b. the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pincode number, if not furnished earlier.

15. Appointment of Directors:

    At the ensuing Annual General Meeting, Shri Punit Garg, as an Executive Director, Shri Manikantan V. as a Director and Chief Financial Officer, Smt. Ryna Karani, Smt. Chhaya Virani and Shri Suresh Rangachar, Directors are being appointed. Smt. Manjari Kacker, Non Independent Director is proposed for appointment as an Independent Director.

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended their appointments. The details pertaining to them pursuant to the requirements of Regulation 36(3) of the Listing Regulations are furnished in statement pursuant to Section 102 (1) of the Act accompying this Notice and in the Corporate Governance Report forming part of this Annual Report.

16. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 27, 2016.

17. Members are advised to refer the section titled "Investor Information" provided in this Annual Report.

18. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from December 5, 2018. In view of this and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.**

19. Members are requested to fill in and submit online Feedback Form provided in the 'Investor Relations' section on the Company's website www.rcom.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.

20. The Statement containing the salient features of the balance sheet, the statement of profit and loss and auditors' report on the Abridged Financial Statement, is sent to the members, along with the Abridged Consolidated Financial Statement. Any member interested in obtaining a copy of full Annual Report of the Company, may write to the Company or Registrar and Transfer Agent of the Company.

21. Members holding shares in physical mode:

    a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Karvy, if not registered with the Company as mandated by SEBI.

    b. are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website and can be accessed at link http://www.rcom.co.in/Rcom/about-us/investor-relations/shareholders.html.

    c. are requested to register / update their e-mail address with the Company / Karvy for receiving all communications from the Company electronically.

22. Members holding shares in electronic mode:

    a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.

    b. are advised to contact their respective DPs for registering the nomination.

    c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

23. Members who hold shares in physical form, in multiple folios, in identical names or joint holding in the same order of names and having similar addresses are requested to send the share certificates to the Registrar and Transfer Agent for consolidation into a single folio.

24. The Securities and Exchange Board of India vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the Company in physical form, to furnish to the Company / its registrar and transfer agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to the Company or Karvy Computershare Private Limited (Karvy), the Company's Registrar and Transfer Agent. **Form for updating PAN / Bank details is provided as a part of this Annual Report. Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.**

25. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company through Notice dated July 18, 2018 (remote e-voting). A person, whose name is recorded in the register of members or in the register of beneficial owner (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e. Tuesday, September 11, 2018 only shall be entitled to avail the facility of remote e-voting/ voting. Karvy Computershare Private Limited, our Registrar and Transfer Agent will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10:00 A.M. on September 14, 2018 to 5:00 P.M. on September 17, 2018.

    The Members shall refer to the detailed procedure on remote e-voting given in the e-voting instruction slip. The facility for voting shall also be available at the Meeting.

    The members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their votes again at the Meeting. The Board of Directors have appointed Shri Anil Lohia, Partner or in his absence Shri Rinkit Kiran Uchat, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.

    The Scrutiniser will submit his report to the Chairman or any other person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.rcom.co.in and on the website of Karvy Computershare Private Limited, Registrar and Transfer Agent.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

Item No. 2 To revise borrowing limits of the Company.

Provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") read with the Rules, if any, made there under provide that the Company shall not, except with the consent of members by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves. The Members of the Company through Postal Ballot passed a special resolution on September 16, 2014 and inter alia, authorised the Board to borrow up to four times of the aggregate of the then paid up capital of the Company and its free reserves.

Keeping in view the current financial situation of the Company, reduction in networth and capital intensive nature of the telecom sector in which the Company operates, the Company needs to enhance borrowing limits and accordingly, consent of the members is sought by way of Special Resolution as set out at Item No. 2 of the accompanying Notice. This resolution enables the Board of Directors of the Company to borrow funds (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) which may at any time not exceed ₹ 50,000 crore.

None of the Directors and Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their equity share holdings in the Company.

The Board accordingly recommends the Special Resolution set out at Item No. 2 of the accompanying Notice for the approval of the members.

Item No. 3 Ratification of remuneration payable to Cost Auditor for the financial year ending March 31, 2019.

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. V. J. Talati & Co., Cost Accountants (Firm Registration No.00213), as the Cost Auditor to audit the cost accounting records of the Company for the financial year ending March 31, 2019, at a remuneration of ₹ 2.50 lakh (Rupees two lakh and fifty thousand only) excluding tax and out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding in the Company.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the members.

Item No. 4. Appointment of Shri Punit Garg as an Executive Director.

The Board of Directors at their meeting held on October 2, 2017, has appointed Shri Punit Garg as an Additional Director designated as an Executive Director for a period of three years effective from October 2, 2017. The appointment and his remuneration is based on the recommendation of the Nomination and Remuneration Committee of the Board. The Board has also approved the same, subject to approval of the members.

As per provisions of the Companies Act, 2013 ("the Act"), as an Additional Director, Shri Garg holds office up to the date of ensuing Annual General Meeting.

Shri Garg has given his consent for the reappointment at the ensuing Annual General Meeting and has also confirmed that he is not in any way disqualified from the appointment as per provisions of the Act.

The Company has also received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Shri Garg, for the office of a Director of the Company.

Shri Garg, aged 53 years, is a qualified Engineer, was President, Telecom Business and part of the Company's leadership team since last 17 years before his elevation as an Executive Director of the Company. He has held several positions in the Company including CEO of Indian and Global Enterprise business, Corporate Strategy and Regulatory Affairs etc. Shri Garg has rich experience of over 32 years in telecom and IT sectors. Shri Garg is part of senior management team since 2002 and is involved in taking a number of strategic decisions.

Shri Garg is functioning in a professional capacity and he does not have any interest in the capital of the Company (except holding one equity share of the Company) or in any of its subsidiary companies either directly or indirectly or through any other statutory structures. He is not related to the Directors, Promoters or Key Managerial Personnel of the Company or any of its subsidiaries at any time during last two years before his appointment.

In view of above, pursuant to the provisions of Schedule V to the Act, no approval of the Central Government is called for in respect of the appointment or in respect of the remuneration paid / proposed to be paid to Shri Garg during the tenure of his appointment.

Shri Garg fulfils the conditions for eligibility of the appointment as contained in Part I of Schedule V of the Act. The Company has obtained approval of the Joint Lenders Forum of Secured Lenders as required.

In terms of the requirements of Schedule V of the Act, the following information is provided in connection with the special resolution proposed to be passed in respect of the appointment of and remuneration payable to Shri Garg.

The details pertaining to Shri Garg pursuant to the requirements of Schedule V of the Act, Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings are given as under:

General Information

(i) **Nature of industry** – Telecom

(ii) **Date or expected date of commencement of commercial production:** – July 15, 2004

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** – Not Applicable.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

(iv) **Financial performance based on given indicators**

₹ In crore

Particulars (Consolidated Financials)	2016-17	2015-16	2014-15
Total Income	19,949	22,356	22,098
Profit before Tax	(2,387)	232	946
Provision for Tax	1,104	428	(326)
Profit After Tax	(1,283)	660	620

(v) **Foreign investments or collaborations, if any –** None. The foreign shareholding was 9.20% as on March 31, 2018.

Information about the appointee

(i) Background details

Shri Garg, aged 53, is a qualified Engineer, was President, Telecom Business and is part of the Company's leadership team since last 17 years before being elevated as an Executive Director of the Company. He has held several positions in the Company including CEO of Indian and Global Enterprise business, Corporate Strategy and Regulatory Affairs. Shri Garg has rich experience of over 32 years in telecom and IT sectors. Shri Garg is part of senior management team since 2002 and is involved in taking number of strategic decisions.

(ii) Past remuneration:

In the financial year 2016-17, the total remuneration paid to Shri Garg as President – Telecom Business was ₹ 187.51 Lakhs.

(iii) Recognition or awards

Shri Garg is part of leadership team of the Company which has been felicitated with recognition and awards.

(iv) Job profile and his suitability

As Shri Garg has the requisite professional qualification and experience, he is eminently suited for the position.

(v) Remuneration proposed

The proposed remuneration is ₹ 233 lakhs per annum inclusive of fixed and variable pay. This has been approved by the Board based on the recommendation of the Nomination and Remuneration Committee of the Board under Section 178 of the Act. Shri Punit Garg is entitled for annual increment / performance linked incentive, as may be decided by the Board of Directors pursuant to recommendation of the Nomination and Remuneration Committee based on his performance and the performance of the Company and as per the Company Policy.

In addition, Shri Garg is also entitled for Company owned/ Leased Accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursements, leave travel concession for self and his family including dependents, medical insurance. The said perquisites and allowances shall be evaluated wherever applicable as per the provisions of the Income Tax Act, 1961 or any Rules made there under including any statutory modification(s) thereto, for the time being in force. The Company's contribution to Provident Fund, Superannuation or Annuity Fund to the extent these singly or together are not taxable under the Income Tax Act, 1961 and gratuity payable and encashment of leave at the end of the tenure as per Rules of the Company shall not be included in the computation of the limits of the remuneration.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration proposed to Shri Garg is comparable with persons holding similar positions in the industry. The proposed remuneration is commensurate with the size and operation of the Company.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any – None

Other information

(i) **Reasons of loss or inadequate profits –** The reason for loss is revenue decrease on account of free offers, disruptive pricing and unprecedented competitive intensity in the industry. The Company has suffered loss for the year owing to drop in revenues, decline in EBITDA margin for the year and other expenses.

(ii) **Steps taken or proposed to be taken for improvement**– The Company is in restructuring mode. The Company has taken several significant and constructive steps to reduce debt and liabilities and improve the long-term sustainability.

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

The Company 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 and 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 Company is one of the leading IDC service providers in India with nine operational data centres situated in Navi Mumbai, Bengaluru, Chennai and Hyderabad. The Company's IDCs have a total built-up area of ~6.5 lac square feet. The Company offers wide range of services through the data centers including co-location, managed hosting, IT infrastructure, managed security, system integration, storage and back-up solutions.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

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 scalable platform across the globe. The business segments comprise Carrier, Enterprise and Consumer business units. The Company provides carrier's carrier voice, carrier's carrier bandwidth, enterprise data and consumer voice services.

(iii) **Expected increase in productivity and profits in measurable terms –** At this stage, can not ascertain.

Disclosures

The disclosures required under Schedule V of the Act have been incorporated in the Directors' Report under Corporate Governance section.

Shri Garg is also a Director in Reliance Digital World Limited, a subsidiary of the Company.

Shri Garg is a member of the Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company.

Shri Garg will be liable to retire by rotation in accordance with the provisions of the Act. Shri Garg holds one equity share of the Company.

The relatives of Shri Garg may be deemed to be interested in the resolution set out in Item no. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Shri Punit Garg, none of the Directors, Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the resolution set out at Item no. 4 of the Notice.

The Board accordingly recommends the Special Resolution set out at Item no. 4 of the accompanying Notice for the approval of the members.

Item no. 5. Appointment of Shri Manikantan V. as a Director and Chief Financial Officer.

The Board of Directors at their meeting held on October 2, 2017, has appointed Shri Manikantan V, Chief Financial Officer of the Company as an Additional Director designated as a Director and Chief Financial Officer for a period of three years effective from October 2, 2017. The appointment and his remuneration, subject to approval of members, has been approved by the Board based on the recommendation of the Nomination and Remuneration Committee of the Board.

As per provisions of the Companies Act, 2013 ("the Act"), as an Additional Director, Shri Manikantan V. holds office up to the date of ensuing Annual General Meeting.

Shri Manikantan V. has given his consent for the reappointment at the ensuing Annual General Meeting and has also confirmed that he is not in any way disqualified from appointment as per the provisions of the Act.

The Company has also received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Shri Manikantan V. for the office of a Director of the Company.

Shri Manikantan V. aged 52, is a qualified Chartered Accountant was the Chief Financial Officer of the Company. Shri Manikantan V. is with the Company / Group since last 22 years and has held several senior positions. He has rich experience of over 29 years.

Shri Manikantan V is functioning in a professional capacity and he does not have any interest in the capital of the Company or in any of its subsidiary companies either directly or indirectly or through any other statutory structures. He is not related to the Directors, Promoters or Key Managerial Personnel of the Company or any of its subsidiaries at any time during the last two years before his appointment.

In view of above, pursuant to the provisions of Schedule V to the Act, no approval of the Central Government is called for in respect of the remuneration paid / proposed to be paid to Shri Manikantan V. during the tenure of this appointment.

Shri Manikantan V. fulfils the conditions for eligibility of the appointment as contained in Part I of Schedule V of the Act. The Company has obtained approval of the Joint Lenders Forum of Secured Lenders as required.

In terms of the requirements of Schedule V of the Act, the following information is provided in connection with the special resolution proposed to be passed in respect of the remuneration payable to Shri Manikantan V.

As required under Schedule V of the Companies Act, 2013, the Company has obtained approval/s as may be necessary in this regard.

The details pertaining to Shri Manikantan V. pursuant to the requirements of Schedule V of the Act, Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings are given as under:

General Information – same as stated in Item no. 4 above.

Information about the appointee

(i) Background details

Shri Manikantan V, aged 52, is qualified Chartered Accountant was working as the Chief Financial Officer of the Company before his appointment as Director and Chief Financial Officer. Shri Manikantan V. is with the Company / Group since last 22 years and has held several senior positions. He has a rich experience of over 29 years.

(ii) Past remuneration:

In the financial year 2016-17, the total remuneration paid to Shri Manikantan V, as CFO of the Company was ₹ 155.03 lac.

(iii) Recognition or awards

Shri Manikantan V, is part of leadership team of the Company which has felicitated with recognition and awards.

(iv) Job profile and his suitability

As Shri Manikantan V, has the requisite professional qualification and experience, he is eminently suited for the position.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

(v) Remuneration proposed

The proposed remuneration is ₹ 178 Lakh per annum as fixed salary which has been approved by the Board based on the recommendation of the Nomination and Remuneration Committee of the Board under Section 178 of the Act. Shri Manikantan V. is entitled for annual increment / performance linked incentive, as may be decided by the Board of Directors pursuant to recommendation of the Nomination and Remuneration Committee based on his performance and the performance of the Company and as per the Company Policy.

Shri Manikantan V. is also entitled for Company owned/ leased accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursements, leave travel concession for self and his family including dependents, medical insurance within the remuneration specified above. The said perquisites and allowances shall be evaluated wherever applicable as per the provisions of the Income Tax Act, 1961 or any Rules made there under including any statutory modification(s) thereto, for the time being in force. However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund to the extent these singly or together are not taxable under the Income Tax Act, 1961 and gratuity payable and encashment of leave at the end of the tenure as per Rules of the Company shall not be included in the computation of the limits of the remuneration.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The remuneration proposed to the appointee is comparable with persons holding similar positions in the industry. The proposed remuneration is commensurate to the size and operation of the Company.

(vii) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** – None

Other information

(i) **Reasons of loss or inadequate profits –** Same as stated in Item No.4 above.

(ii) **Steps taken or proposed to be taken for improvement** – same as stated in Item No.4 above.

(iii) **Expected increase in productivity and profits in measurable terms –** Same as mentioned above in Item No.4.

Disclosures

The disclosures required under Schedule V of the Act have been incorporated in the Directors' Report under Corporate Governance section.

Shri Manikantan V. is also a Director in Globalcom Mobile Commerce Limited, subsidiary of the Company.

Shri Manikantan V. is a member of the Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company.

Shri Manikantan V. will be liable to retire by rotation in accordance with the provisions of the Act. Shri Manikantan V. is not holding any share in the Company.

The relatives of Shri Manikantan V. may be deemed to be interested in the resolution set out in Item no. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Shri Manikantan V, none of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the Notice.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the members.

Item No. 6. Appointment of Smt. Chhaya Virani as an Independent Director.

The Board of Directors at their meeting held on November 11, 2017, appointed Smt. Chhaya Virani as an Additional Director as per recommendation of the Nomination and Remuneration Committee of the Board.

In terms of Section 161(1) of the Companies Act, 2013 ("the Act"), Smt. Chhaya Virani holds office up to the date of ensuing Annual General Meeting. The Company has received notice pursuant to Section 160 of the Act from one of the members of the Company signifying intention to propose the appointment of Smt. Chhaya Virani as a Director of the Company.

Smt. Chhaya Virani, aged 63 years, has graduated from Mumbai University with a bachelors' degree in Arts. She has also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in ALMT Legal Advocates and Solicitors.

Smt. Chhaya Virani has given a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and the rules made there under. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules framed there under for her appointment as an Independent Director and that she is independent of the management.

Smt. Virani is also a Director in Reliance Capital Limited, Reliance Infratel Limited, Reliance General Insurance Company Limited and Reliance Capital Pension Fund Limited.

Smt Virani is a member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company. She is also a member of Audit Committee of Reliance Capital Limited, Reliance Infratel Limited, Reliance General Insurance Company Limited and Reliance Capital Pension Fund Limited and member of Stakeholders Relationship Committee of Reliance Capital Limited. She is also a member of Risk Management Committee of Reliance Capital Limited and Reliance Capital Pension Fund Limited. She is also a member of Nomination and Remuneration

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

Committee of Reliance Infratel Limited and Reliance Capital Pension Fund Limited. She is also a member of CSR Committee of Reliance Infratel Limited.

She does not hold any share in the Company.

The relatives of Smt. Chhaya Virani may be deemed to be interested in the resolution set out in Item no. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Smt. Chhaya Virani, none of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the Notice.

The Board accordingly recommends an Ordinary Resolution set out at Item No. 6 of the accompanying Notice for approval of the members.

Item No. 7. Appointment of Smt. Ryna Karani as an Independent Director.

The Board of Directors at its meeting held on November 11, 2017, has appointed Smt. Ryna Karani as an Additional Director as per recommendation of the Nomination and Remuneration Committee of the Board.

In terms of Section 161(1) of the Companies Act, 2013, Smt. Ryna Karani holds office up to the date of ensuing Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 (Act) from one of the members of the Company signifying intention to propose the appointment of Smt. Ryna Karani as a Director of the Company.

Smt. Ryna Karani, 50 years, is a partner of ALMT Legal, Advocates and Solicitors since November 2006 and part of the firm's corporate and commercial team. She has been practicing as a lawyer since 1994 and enrolled as an Advocate with the Bar Council of Maharashtra and Goa. Her practice includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted number of foreign clients in establishing a presence in India through incorporation of companies and/or establishment of liaison offices. She is a member of the Society of Women Lawyers.

Smt. Ryna Karani has given a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and the rules made there under. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules framed there under for her appointment as an Independent Director and that she is independent of the management.

Smt. Karani is also a Director in Ineos Styrolution India Limited, Reliance Naval and Engineering Limited, Prime Urban Development India Limited, Reliance Infrastructure Limited, BSES Yamuna Power Limited and BSES Rajdhani Power Limited

Smt Karani is a member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company. She is Chairperson of CSR Committee in Reliance Infrastructure Limited and Audit Committee of BSES Yamuna Power Limited. She is also a member of Audit Committee of Reliance Infrastructure Limited, Reliance Naval and Engineering Limited, BSES Rajdhani Power Limited and Ineos Styrolution India Limited. She is member of Risk Management Committee, CSR Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Reliance Naval and Engineering Limited. She is also a member of Risk Management Committee, ESOP Compensation Committee of Reliance Infrastructure Limited and member of Nomination and Remuneration Committee of Ineos Styrolution India Limited.

She does not hold any share in the Company.

The relatives of Smt. Ryna Karani may be deemed to be interested in the resolution set out in Item no. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Smt. Ryna Karani, none of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the Notice.

The Board accordingly recommends an Ordinary Resolution set out at Item No. 7 of the accompanying Notice for approval of the members.

Item No. 8. Appointment of Shri Suresh Rangachar as a Director.

The Board of Directors at their meeting held on November 11, 2017, has appointed Shri Suresh Rangachar as an Additional Director as per recommendation of the Nomination and Remuneration Committee of the Board.

In terms of Section 161(1) of the Companies Act, 2013 ("the Act") Shri Suresh Rangachar holds office up to the date of forthcoming Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from one of the members of the Company signifying intention to propose the appointment of Shri Suresh Rangachar as a Director of the Company.

Shri Suresh Rangachar is eligible for the appointment and has given his confirmation to the effect that he is not disqualified in any manner for such appointment.

Shri Suresh Rangachar, aged 53 years, holds a Master's degree in Computer Science. He has over 25 years experience of which 12 years is with the Company. Prior to joint our group, he was associated with companies like Mantra Communications, IgT, and Hughes Network Systems.

Shri Rangachar is also working as an Executive Director of Reliance Infratel Limited, a subsidiary of the Company. He is also a Director in Globalcom Mobile Commerce Limited and Reliance Communications Infrastructure Limited, subsidiaries of the Company.

Shri Rangachar is a member of the Risk Management Committee of the Company. He is also a member of the Audit Committee of Reliance Communications Infrastructure Limited and Reliance Infratel Limited and member of Nomination and Remuneration Committee of Reliance Infratel Limited.

He does not hold share in the Company.

The relatives of Shri Suresh Rangachar may be deemed to be interested in the resolution set out in Item no. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

Save and except Shri Suresh Rangachar, none of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution set out at item No. 8 of the Notice.

The Board accordingly recommends an Ordinary Resolution set out at Item No. 8 of the accompanying Notice for the approval of the members.

Item No. 9. Appointment of Smt. Manjari Kacker as an Independent Director.

Smt. Manjari Kacker was appointed by the Shareholders on September 16, 2014 as a non Independent Director retiring by rotation. Now, she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (the Act) and the rules made there under. Considering the same, based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors at its meeting held on July 18, 2018, has recommended appointment of Smt. Manjari Kacker as an Independent Director for approval of the shareholders of the Company.

Smt. Manjari Kacker holds master's degree in chemistry and diploma in business administration. She has more than 40 years experience in Taxation, Finance, Administration and Vigilance. She was in Indian Revenue Service batch of 1974. She held various assignments during her tenure in the tax department and was also the member of Central Board of Direct Taxes. She has also served as Functional Director (Vigilance and Security) in Air India and have also represented India in international conferences.

Smt. Manjari Kacker has given a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and the rules made there under. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules framed there under for her appointment as an Independent Director and that she is independent of the management.

Smt. Manjari Kacker is also a Director in Indiabulls Housing Finance Limited, Shubhalakshmi Polyesters Limited and Hindustan Gum and Chemicals Limited.

Smt. Manjari Kacker is Chairperson of CSR Committee and member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, ESOS Compensation Committee and Risk Management Committee of the Company. She is also a Member of the Audit Committee of Shubhalakshmi Polysters Limited.

She does not hold any share in the Company.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from one of the members of the Company signifying intention to propose the appointment of Smt. Manjari Kacker as a Director of the Company.

The relatives of Smt. Manjari Kacker may be deemed to be interested in the resolution set out in Item no. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Smt. Manjari Kacker, none of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution set out at item No.9 of the Notice.

The Board accordingly recommends an Ordinary Resolution set out at Item No.9 of the accompanying Notice for approval of the Members.

Item No.10. Alterations to the Articles of Association of the Company.

On the effectiveness of the scheme of demerger for transfer of Indian wireless business of M/s. Sistema Shyam Teleservices Limited (SSTL) into the Company on October 31, 2017, the Board allotted 10% equity shares and certain powers/ rights were given to SSTL as per Shareholders' Agreement (SHA) entered into with it and amended the Articles of Association (AoA) of the Company.

As per provision of SHA, the date on which SSTL's and its Affiliates' collective shareholding in the Company is reduced to less than seven (7) per cent of the Company's issued share capital, the SHA will be terminated. SSTL's shareholding in the Company was reduced and it had sent a notice for termination of SHA effective from March 26, 2018.

Now, in view of above, certain Articles in the existing AoA are no longer valid. Accordingly, it is deemed appropriate that the existing AoA be altered by deleting such articles. The articles related to SSTL rights in the existing Articles and proposed actions of the Company are as follows:

Existing No. of Article	Heading of the Article	Proposed action
Article 1 (definition)	"ADA Entities", "ADA Representative, "Affiliate Transfer", "BSE" "Business Days" , "Call Option" , "Called Shares" , "Cash Alternative" "Change of Control" "Change of Control Notice" "Competing Business" "Control Shares" "De Minimis Transfer" "Distributor Agreement" "Drag Along Notice" "Drag Along Purchaser" "Drag Along Right" "Drag Price" "Dragged Shares" "Encumbrance" "Lock In Period" "Market Sale" "Mandatory Open Offer Price" "Merger Agreement" "Minority Shareholders of SSTL"	These definitions to be deleted.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

Existing No. of Article	Heading of the Article	Proposed action
	"NSE"	
	"PAC"	
	"Permitted Businesses"	
	"Permitted Encumbrance"	
	"Permitted Transfer"	
	"Private Sale"	
	"Proposed Transferee"	
	"Put Shares"	
	"Related Party Transaction"	
	"Residual Shares"	
	"Right of First Refusal"	
	"ROFR Offer Period"	
	"ROFR Response"	
	"Scheme"	
	"Scheme Transfer"	
	"SEBI Takeover Regulations"	
	"Shareholders Agreement"	
	"Share Issue"	
	"Sistema"	
	"SSTL"	
	"SSTL Offer Notice"	
	"SSTL Per Share Consideration"	
	"SSTL Put Option"	
	"SSTL Put Option Notice"	
	"SSTL Sale share"	
	"SSTL Shareholder Rights"	
	"Stock Exchange"	
	"Tag Along Right"	
	"Tag Period"	
	"Third Party Shares"	
	"Transaction Documents"	
	"Transfer Notice"	
	"Transferee"	
	"Volume-Weighted Price"	
	"Voting Support"	
21A	GENERAL PROHIBITIONS ON THE TRANSFER OF SHARES BY SSTL	Entire Article deleted
21B	RIGHT OF FIRST REFUSAL	Entire Article deleted
21C	PERMITTED TRANSFERS	Entire Article to be deleted
21D	DRAG ALONG RIGHT / CALL OPTION	Entire Article to be deleted
21E	TAG ALONG RIGHT	Entire Article to be deleted
21F	REDUCTION IN SHAREHOLDING OF SSTL	Entire Article to be deleted
21G	CHANGE OF CONTROL OF THE ADA ENTITIES	Entire Article to be deleted
21H	TRANSFER OF SHARES BY ADA ENTITIES	Entire Article to be deleted
43A	VOTING SUPPORT	Entire Article to be deleted
91	COMPLIANCE BY AFFILIATES	Entire Article to be deleted
92	CONSENT REQUIREMENT	Entire Article to be deleted

In view of above, existing Article No. 93 to Article 121 will be renumbered as Article No. 91 to Article No. 119.

In terms of provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Rules made there under, alteration of Articles of Association requires approval of the members by way of Special Resolution. The existing and proposed AoA are being uploaded on the Company's website, www.rcom.co.in for perusal by the shareholders. A copy of the same shall be given to the shareholders upon receipt of a request for the same, in writing, upto the date of the meeting and shall also be available for inspection at the Registered Office of the Company during business hours on all working days, except Saturdays between 11:00 A.M. and 1:00 P.M. upto the date of the Meeting and copy will be made available for inspection in physical and electronic form at the Registered Office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for the approval of the members.

Item No.11. Private Placement of Non-Convertible Debentures and/or other Debt Securities.

As per the provisions of Section 42 of the Companies Act, 2013 (the "Act") and its Rules made thereunder, a Company offering or making an invitation to subscribe to secured / unsecured Redeemable non-convertible debentures (NCDs) and/or other debt securities on a private placement basis is required to obtain prior approval of the Members by way of a Special Resolution.

Such approval can be obtained once a year for all the offers and invitations for such NCDs to be made during the year. NCDs including subordinated debentures, bonds, and/or other debt securities, etc. issued on a private placement basis constitute a significant source of borrowings for the Company and meet the ongoing funding requirements for the company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company.

Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 18, 2018.

The Board of Directors at its meeting held on July 18, 2018 has considered the proposal to make an offer or invitation, to subscribe to securities through private placement subject to the shareholders' approval at the ensuing AGM for all the offers or invitations for NCDs to be made during the year.

It is proposed to obtain an enabling approval of shareholders to offer or invite subscriptions for NCDs including subordinated debentures, bonds, and/or other debt securities, etc. on private placement basis, at appropriate time in one or more tranches, within the overall borrowing limits of the Company as approved by the Members with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security, use of proceeds or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, the Board would act on the basis of the enabing resolution 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 the Resolution.

Accordingly, the approval of the members is being sought by way of a enabling Special Resolution under Section 42 and other applicable provisions, if any, of the Act and rules made thereunder as set out in Item No. 11 appended to this notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding in the Company, if any.

The Board accordingly recommends the Special Resolution set out at Item No. 11 of the accompanying Notice for approval of the Members.

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.rcom.co.in

July 18, 2018

Directors' Report

Dear Shareowners,

Your Directors present the 14th Annual Report and the audited financial statement for the financial year ended March 31, 2018.

Financial results

The financial results of the Company for the year ended March 31, 2018 is summarised below:

Particulars	Financial Year ended March 31, 2018		* Financial Year ended March 31, 2017	
	₹ in crore	**US$ in million****	₹ in crore	US$ in million**
Total income	**2,231**	**342**	3,537	545
Gross profit /(Loss) before depreciation, amortisation and exceptional items	**264**	**41**	347	54
Less:				
Depreciation and amortization	**200**	**31**	216	33
Profit/ (Loss) before Tax	**64**	**10**	131	21
Less: Provision for:				
Current tax / Excess provision for Tax of earlier years	**1**	**0.15**	-	-
Deferred Tax charge/ (credit)	**-**	**-**	(94)	(14)
Profit / (Loss) after tax	**63**	**10**	225	35
Profit / (Loss) after tax from Discontinued Operations	**(9,933)**	**(1,524)**	(2,021)	(312)
Other Comprehensive Income				
Re-measurement Gain/ (Loss) of defined benefit plans (Net of tax)	**3**	**0.46**	(1)	(0.15)
Total Comprehensive Income	**(9,867)**	**(1,514)**	(1,797)	(277)
Add : Balance brought forward from previous year	**(7,163)**	**(1,099)**	(5,366)	(827)
Profit available for appropriation	**-**	**-**	-	-
Balance carried to Balance Sheet	**(17,030)**	**(2,613)**	(7,163)	(1,104)

*Figures of previous year have been regrouped and reclassified, wherever required.

** Exchange Rate ₹ 65.175 = US$ 1 as on March 31, 2018 (₹ 64.85 = US$ 1 as on March 31, 2017).

Financial Performance

During the year under review, your Company has earned income of ₹ 2,231 crore against ₹ 3,537 crore in the previous year. The Company has incurred a loss of ₹ 9,867 crore (including loss from discontinuation of wireless business of ₹ 9933 crore) for the year as compared to loss of ₹ 1,797 crore in the previous year. The performance and financial position of the subsidiary companies and associate companies are included in the consolidated financial statement of the Company and presented in the Management Discussion and Analysis Report forming part of this Annual Report.

Dividend

During the year under review, the Board of Directors has not recommended dividend on the equity shares of the Company. The Dividend Distribution Policy of the Company is annexed herewith as Annexure A to this Report.

Business Operations

The Company together with its subsidiary Global Cloud Xchange Limited (GCX), is a leading global communications services provider with businesses including a vast global subsea network; a global on-net Cloud ecosystem; extensive India and global enterprise business; India Data Center Business (IDC) and India National Long Distance Business (NLD).

The Company specializes in Enterprise telecommunications service provider and is at the forefront of enabling digital revolution across India and globally, with focus on the Emerging Markets of Asia Pacific and the Middle East. The Company continues to build on its global platform designed to power the future digital ecosystem. Based on one of the most extensive subsea and terrestrial fiber optic networks in the world and a global services platform, the Company is putting together the very fabric that will deliver the next generation of applications and services to Enterprises, Carriers, OTTs and government entities.

Scheme of Arrangements

1. **Sistema Shyam Teleservices Limited**

   The Board of Directors of the Company at its meeting held on October 31, 2017 took on record the Orders of Hon'ble High Courts for demerger of Indian Telecom business of Sistema Shyam Teleservices Ltd (SSTL) into the Company and allotted 10% equity of the Company to SSTL, as per Scheme. Under the terms of the agreement entered into between the Company and SSTL, the Company acquired the telecommunications business of SSTL including its licenses. In addition, the Company acquired 30 MHz of the most valuable and superior 800

/ 850 MHz band spectrum, ideally suited for 4G LTE services and other evolving technologies. This resulted in extension of the validity of Company's spectrum portfolio in the 800 / 850 MHz band in eight important Circles (Delhi, Gujarat, Tamil Nadu, Karnataka, Kerala, Kolkata, UP-West and West Bengal) by a period of 12 years, i.e. from 2021 to 2033.

2. Reliance Telecom Limited

The Board had approved the Scheme of Arrangement for demerger of Wireless Undertaking of Reliance Telecom Limited, a wholly owned subsidiary company, into the Company on June 24, 2016. The Hon'ble High Court of Judicature at Bombay had sanctioned the said Scheme on October 27, 2016. The Company has applied to the Department of Telecommunications (DoT) for its approval to the Scheme, which is condition precedent before giving effect to the Scheme. The Scheme would be made effective upon receiving the approval of the DoT.

3. Demerger of Wireless undertaking to Aircel Group

The Board had approved the demerger and transfer of Wireless Business including the investments held by the Company in its subsidiary companies to Aircel Limited and Dishnet Wireless Limited by way of Scheme of Arrangement (Scheme) on September 14, 2016. In view of legal and regulatory uncertainties which caused inordinate delay in receipt of relevant approvals for the Scheme, the parties to the merger agreement agreed to lapse Scheme and accordingly withdrawn the Scheme from National Company Law Tribunal in October, 2017.

Debt Restructuring Plan and Asset Monetisation

As reported in previous year, the lenders of the Company and its subsidiaries namely Reliance Telecom Limited and Reliance Infratel Limited (RCom Group) at their meeting held on June 2, 2017 constituted a Joint Lenders Forum ("JLF") with State Bank of India as the Convener, and invoked the SDR Scheme for RCom Group, in accordance with the then guidelines issued by RBI.

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

The Company expects the transactions to close in a phased manner by last quarter of 2018. The proceeds comprise primarily of cash payment and include transfer of deferred spectrum installments payable to the Department of Telecommunication (DoT). The Company will utilise the proceeds of the monetisation of this cash deal solely for pre-payment of debt to its lenders.

Post success of proposed asset monetization, your Company's continuing operations will comprise of stable and profitable B2B focused businesses, including Indian and Global Enterprise, Internet Data Centres and the largest private subsea cable network in the world.

During the year under review, Hon'ble National Company Law Tribunal (NCLT), Mumbai had, overruled the objections of the Company and lenders represented by State Bank of India as lead member, vide its order dated May 15, 2018 and admitted applications filed by an operational creditor for its claims against the Company and its subsidiaries - Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), thereby admitting the Company, RTL and RITL to debt resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed in the Company, RTL and RITL vide NCLT's orders dated May 18, 2018. The Company along with the lenders filed an appeal before Hon'ble National Company Law Appellate Tribunal (NCLAT) challenging the orders of NCLT admitting the Company to IBC proceedings. The Hon'ble NCLAT, vide its order dated May 30, 2018, stayed the order passed by NCLT and consequently, the Board stands reinstated.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Annual Report.

Non Convertible Debentures

During the year under review, the Company has not issued any Non-Convertible Debentures.

Deposits

The Company has never accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

Particulars of Investments

Pursuant to the provisions of Section 186 of the Act, the details of the Investments made by the Company are provided in the unabridged standalone financial statement under Notes No. 2.03 and 2.08.

Subsidiary and Associate Companies

The performance and financial position of the major subsidiary companies are presented in Management Discussion and Analysis Report forming part of this Annual Report. Also, a report on the performance and financial position of each of the subsidiary companies and associate companies as per the Act is provided in the consolidated financial statement. The Policy for determining material subsidiary companies can be accessed on the Company's website at the link http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html.

Consolidated Financial Statement

The Audited Consolidated Financial Statement for the financial year ended March 31, 2018, incorporating the results of the operations of all subsidiary companies and associate companies, have been prepared in accordance with Indian Accounting Standard (Ind AS) - 110 on 'Consolidated Financial Statement' read with Ind AS-28 on 'Investments in Associates and Joint Ventures', notified under the Act, read with the Accounting Standards Rules as applicable and same is in compliance with the Companies Act, 2013.

Directors

During the year under review, the Board of Directors have appointed Smt. Chhaya Virani and Smt. Ryna Karani as Independent Directors w.e.f. November 11, 2017. The Company has also appointed Shri Manikantan V., Chief Financial Officer (CFO) and Shri Suresh Rangachar as Directors of the Company w.e.f October 2, 2017 and November 11, 2017 respectively, liable to retire by rotation. Shri Punit Garg, President, Telecom Business has been appointed as an Executive Director of the Company w.e.f October 2, 2017. The Board of Directors at their meeting held on July 18, 2018 has proposed Smt. Manjari Kacker, Non Independent Director for appointment as an Independent Director of the Company based on her fulfilling criteria of independence as provided under Section 149(6) of the Act.

In terms of the provisions of the Companies Act, 2013, no director of the Company retires by rotation at the ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and Listing Regulations.

The details of programme for familiarization of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are placed on the website of the Company at the link http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html.

Key Managerial Personnel

During the year under review, Shri Punit Garg, President Telecom Business was appointed as the Executive Director and Shri Manikantan V, CFO was elevated and appointed as Director and CFO of the Company. Shri Prakash Shenoy, Company Secretary ceased as Manager of the Company w.e.f. October 18, 2017.

Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual directors, Board and its Committees, which includes criteria for performance evaluation. Pursuant to the provisions of the Act and Regulation 17(10) of Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the individual directors as well as the evaluation of working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of processes and information provided to the Board etc. A separate meeting of the Independent Directors was also held during the year for evaluation of the performance of non-independent Directors, performance of the Board as a whole and that of the Chairman.

The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in Meetings, understanding of their roles as directors etc.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been placed on the Company's website. The policy on the above is attached as Annexure B.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i. In preparation of the annual accounts for the financial year ended March 31, 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

ii The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;

iii The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv The Directors had prepared the annual accounts for the financial year ended March 31, 2018 on a 'going concern' basis;

v The Directors had laid down internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively, and

vi The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee for approval. Omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Material Changes and Commitments, if any, affecting the financial position of the Company

Except as disclosed in this report, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Nine Board Meetings were held, details of which are given in the Corporate Governance Report forming part of this report.

Audit Committee

The Audit Committee of the Board consists of Independent Directors namely Shri R. N. Bhardwaj, Chairman, Shri A. K. Purwar, Prof. J. Ramachandran, Shri Deepak Shourie, Smt. Ryna Karani, Smt. Chhaya Virani and Non Independent Directors Smt. Manjari Kacker, Shri Punit Garg, Shri Manikantan V, as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Auditors and Auditors' Report

At the 12th Annual General Meeting (AGM) held on September 27, 2016, M/s. Pathak H.D. & Associates, Chartered Accountants were appointed as the statutory auditors of the Company to hold office till the conclusion of the 17th AGM. Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Pathak H.D. & Associates, Chartered Accountants, the Statutory Auditors of the Company have been appointed as Auditors for a term of 5 years. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

The Auditors in their report to the members have given a qualified opinion and the response of Board with respect to it is as follows:

Considering all factors including admitting the companies to debt resolution process under the IBC, the Company, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and without implying in any way that the terms of lending by the banks and other lenders are altered, has not provided interest of ₹ 3,055 crore (₹ 3,609 crore in case of consolidated) during the year. Had the Company provided interest, the loss would have been higher by ₹ 3,055 crore (₹ 3,609 crore in case of consolidated) for the year ended March 31, 2018.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory particularly Note No. 2.50 (standalone financials) and Note No. 2.54 (consolidated financials) and hence the same to be treated as explanation provided under Section 134 of the Act.

The audited financial statement drawn up both on standalone and consolidated basis for the financial year ended March 31, 2018, in accordance with the requirements of the Ind-AS Rules.

Cost Auditors

Pursuant to the provisions of the Act and the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors have appointed M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditors to conduct cost audit for the telecommunications businesses of the Company for the financial year ending March 31, 2019, subject to the remuneration being ratified by the shareholders at the ensuing AGM of the Company.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Ashita Kaul & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report submitted to the Company. The Secretarial Audit Report is attached herewith as Annexure C.

Extract of Annual Return

Extract of the Annual Return as on March 31, 2018 of the Company in Form - MGT-9 is attached herewith as Annexure D.

Particulars of Employees and related disclosures

(a) Employees Stock Option Scheme

During the year under review, the Company has not granted any Options to the employees of the Company. Employees Stock Option Scheme (ESOS) was approved and implemented by the Company and Options were granted to the employees under "ESOS Plan 2008" and "ESOS Plan 2009" in accordance with earlier guidelines applicable to ESOS.

During the year under review, ESOS Plan 2008 has completed ten years tenure and all its outstanding Options were lapsed.

The ESOS Compensation Committee of the Board monitors the Employees Stock Option Scheme. The existing ESOS Scheme and Plan are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI ESOS Regulations).

The Company has received a certificate from the auditors of the Company that the ESOS Plan 2009 has been implemented in accordance with the SEBI ESOS Regulations and as per the resolution passed by the members of the Company authorising issuance of the said Options. The other details as required under SEBI ESOS Regulations are disclosed on Company's website at www.rcom.co.in/investorrelations/corporategovernance.

(b) Other Particulars

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules), as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure to the Directors' Report. Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Rules, are also provided in the Annual Report, which forms part of this Report.

However, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting. Any member interested in obtaining the same may write to the Company Secretary. Upon receipt of such request the information shall be furnished.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As the Company does not carry on any manufacturing activity, being a telecommunications service provider, most of the information of the Company as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in the Annexure E forming part of this Report.

Corporate Governance

The Company has adopted the "Reliance Group-Corporate Governance Policies and Code of Conduct" which sets out the systems, process and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report

A Certificate from the auditors of the Company M/s. Pathak H.D. & Associates, Chartered Accountants conforming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

a) The disclosures required under Schedule V of the Act as applicable to Shri Punit Garg as an Executive Director are given below:

   (i) Remuneration comprises of salary, allowances and other perquisites - Rs.233 Lakhs per annum.

   (ii) Details of fixed component and performance linked incentives along with the performance criteria - Annual increment / performance linked incentive, as may be decided by the Board of Directors pursuant to recommendation of the Nomination and Remuneration Committee based on his performance and the performance of the Company and as per the Company Policy.

   (iii) Service, contracts, notice period, severance fees - He has a binding service contract with functions and duties of an Executive Director.

   (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable – Not Applicable.

b) The disclosures required under Schedule V of the Act as applicable to Shri Manikantan V. as a Director and Chief Financial Officer are given below:

   (i) Remuneration comprises of salary, allowances and other perquisites - Rs.178 Lakhs per annum.

   (ii) Details of fixed component and performance linked incentives along with the performance criteria - Annual increment / performance linked incentive, as may be decided by the Board of Directors pursuant to recommendation of the Nomination and Remuneration Committee based on his performance and the performance of the Company and as per the Company Policy.

   (iii) Service, contracts, notice period, severance fees - He has a binding service contract with functions and duties of a Director and Chief Financial Officer.

   (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable – Not Applicable

Whistle Blower (Vigil Mechanism)

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concern, if any of the directors and employees. The details of the same have been stated in the Report on Corporate Governance and the policy can also be accessed on the Company's website.

Risk Management

The Company has constituted a Risk Management Committee consisting of majority of directors and senior managerial personnel of the Company; however this mandatory provisions of Listing Regulations are not applicable to the Company. The details of the Committee and its terms of reference etc. are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year no such complaints were received.

The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link; http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html.

The CSR Committee consists of Smt. Manjari Kacker as Chairperson, Shri R. N. Bhardwaj, Prof. J. Ramachandran, Shri Deepak Shourie, Shri A. K. Purwar, Shri Punit Garg, Shri Manikantan V., Smt. Ryna Karani, Smt. Chhaya Virani, Directors as members of the Committee.

The annual report on CSR activities is annexed as Annexure F.

Orders, if any, passed by Regulators or Courts or Tribunals

Except as disclosed in this report, no orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organisation. The same is subject to review periodically by the internal audit cell and by the audit committee for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Business Responsibility Statement

Business Responsibility Report for the year under review as stipulated under the Listing Regulations is presented in separate section forming part of this Annual Report.

Acknowledgement

Your Directors express their sincere appreciation for the cooperation and assistance received from shareholders, debenture holders, bankers, financial institutions, regulatory bodies, debenture trustee and other business constituents during the year under review. The Directors express their sincere thanks to the lenders of the Company for continuous support during the year. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff and look forward to their continued support in future.

For and on behalf of the Board of Directors

Anil Dhirubhai Ambani
Chairman

Mumbai
July 18, 2018

Annexure A

Dividend Distribution Policy

1. Introduction

The Board of Directors (the "Board") of Reliance Communications Limited (the "Company") at its meeting held on May 27, 2017, has adopted this Dividend Distribution Policy (the "Policy") in accordance with the Companies Act, 2013 (the Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

This policy was reviewed by the Board at its meeting held on July 18, 2018.

2. Objective

The Objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

3. Circumstances under which the shareholders may or may not expect dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirement for business operations or otherwise.

iii. In the event of inadequacy of cashflow available for distribution.

iv. In the event of inadequacy or absence of profits.

v. In the event of any regulation or contractual restriction. The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

4. Parameters to be considered before recommending dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted under the Companies Act, 2013. The Board may also declare interim dividends as may be permitted under the Companies Act, 2013.The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth of the Company.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Dividend pay-out decision of any company depends upon certain external and internal factors:

4.1 External Factors

State of Economy: In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

4.2 Internal Factors

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which, inter alia will include:

- Income / Profits earned during the year;
- Present & future capital requirements of the existing businesses;
- Brand/ Business Acquisitions;
- Expansion/ Modernization of existing businesses;
- Additional investments in subsidiaries/ Joint Ventures/ associates of the Company;
- Fresh investments into external businesses;
- Repayment of Loans

Any other factor as deemed fit by the Board.

5. Utilisation of retained earnings

The Company shall endeavour to utilise the retained earnings in following manner:

- For expansion and growth of business;
- Additional investments in existing businesses;
- Declaration of Dividend;
- General Corporate purpose; and
- Any other specific purpose as may be approved by the Board.

6. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. Equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of share.

7. Review

This Policy will be reviewed periodically by the Board.

8. Limitation and amendment

In the event of any conflict between the Act or the Listing Regulations and the provisions of the policy, the Listing Regulations shall prevail over this policy. Any subsequent amendment / modification in the Listing Regulations, in this regard, shall automatically apply to this policy.

Annexure – B

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management employees

1. Introduction

1.1 Reliance Communications Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors/ employees with the goals of the Company.

1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.

2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures;

2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel, senior managerial personnel of the Company.

4. Definitions

4.1. "Director" means a director appointed to the Board of the Company.

4.2. "Key Managerial Personnel" means

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-time Director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013.

4.3. ''Senior Management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, if any.

5. Policy

5.1 Appointment of Directors/ Key Managerial / Senior Management personnel

The Nomination and Remuneration Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.

5.2 Remuneration to Directors/ Key Managerial Personnel

5.2.1 The remuneration of the Directors/ Managing Director/ Whole time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.

5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.

5.2.4 The remuneration structure shall include the following components:

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Stock Options, if any.

(iv) Commission (Applicable in case of Executive Directors/ Directors)

(v) Retiral Benefits

(vi) Performance Linked Incentives

5.2.5 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs); Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options etc.

7. Modification and Amendment

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

Annexure – C

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Reliance Communications Limited
H Block, 1st Floor,
DhirubhaiAmbani Knowledge City,
Navi Mumbai – 400 710.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Communications Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has followed proper Board processes and have required compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Reliance Communications Limited** for the financial year ended on March 31, 2018 according to the provisions of the:

i Companies Act, 2013 ('the Act') and the Rules made thereunder;

ii Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during audit period);

d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);

h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during audit period); and

i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with applicable clauses of the following:

i Secretarial Standards issued by the Institute of Company Secretaries of India;

ii Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited, Luxembourg Stock Exchange and Singapore Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as applicable mentioned above.

During the year, the Company has filed a consent application with SEBI for certain irregularities in disclosure relating to Non Convertible Debentures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). The matter was pending for adjudication till the date of this report.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

a. The Indian Telegraph Act, 1885 and Rules made thereunder and as amended from time to time;

b. The Telecom Regulatory Authority of India Act, 1997 and Rules made thereunder and as amended from time to time.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are following changes in the composition of the Board of Directors during the period under review.

DIN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
00004407	Punit Garg	Additional Director	02/10/2017
00020887	Suresh Rangachar	Additional Director	11/11/2017
00116930	Ryna Karani	Additional Director	11/11/2017
06953556	Chhaya Virani	Additional Director	11/11/2017
03338690	Manikantan V.	Additional Director	02/10/2017

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of meetings of the Board of Directors and Committee of the Board accordingly.

We further report that, there are adequate systems and processes in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period following Special Resolution was passed through postal ballot on February 15, 2018:

a. Sale/ disposal of assets undertaking(s) of the Company and/ or of its subsidiaries.

For **Ashita Kaul & Associates**
Company Secretaries

Date : 11.07.2018
Place : Mumbai

Proprietor
FCS 6988/ CP 6529

ANNEXURE - D

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

i.	Corporate Identification Number (CIN)	:	L45309MH2004PLC147531
ii.	Registration Date	:	July 15, 2004
iii.	Name of the Company	:	Reliance Communications Limited
iv.	Category / Sub-Category of the Company	:	Public Company/ Limited by Shares
v.	Address of the Registered Office and contact details	:	H Block, 1st Floor Dhirubhai Ambani Knowledge City Navi Mumbai 400 710, India Tel : +91 22 3038 6286, Fax: +91 22 3037 6622 E-mail: rcom.investors@relianceada.com Website: www.rcom.co.in
vi.	Whether listed company	:	Yes
vii.	Name, address and contact details of Registrar and Transfer Agent, if any	:	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. Tel: +91 40 6716 1500; Fax: +91 40 6716 1791 Toll Free No. 1800 4250 999 E-mail: rcom@karvy.com Website: www.karvy.com

II. Principal Business Activities of the Company

All the Business Activities contributing 10 per cent or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Telecommunications	612	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Reliance Innoventures Private Limited 502, Plot No 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055	U73100MH2005PTC158356	Holding	0.50%	2(46)
2.	Reliance Infratel Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City,Navi Mumbai 400 710	U72900MH2001PLC131598	Subsidiary	90.45%	2(87)
3.	Reliance Telecom Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U32100MH1994PLC162841	Subsidiary	100%	2(87)
4.	Reliance Communications Infrastructure Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U64203MH1997PLC166329	Subsidiary	100%	2(87)
5.	Independent TV Limited(Formerly known as Reliance Big TV Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45203MH2005PLC153294	Subsidiary	100%	2(87)
6.	Reliance Wimax Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U30007MH1991PLC218014	Subsidiary	100%	2(87)
7.	Reliance Bhutan Limited (Formerly known as Reliance Digital Home Services Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U72900MH2001PLC131597	Subsidiary	100%	2(87)
8.	Reliance Webstore Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U72900MH2000PLC128101	Subsidiary	100%	2(87)
9.	Reliance Realty Limited(Formerly known as Reliance Infocomm Infrastructure Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U45300MH1993PLC173775	Subsidiary	100%	2(87)
10.	Campion Properties Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City , Navi Mumbai 400 710	U55101MH2001PLC218815	Subsidiary	100%	2(87)
11.	Reliance Tech Services Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U72900MH2007PLC172690	Subsidiary	100%	2(87)

Directors' Report

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
12.	Globalcom IDC Limited (Formerly known as Reliance IDC Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U72900MH2001PLC131600	Subsidiary	100%	2(87)
13.	Reliance BPO Private Limited Manek Mahal Flat No.19-20, 6th Floor, 90-Veer Nariman Road, Churchgate, Mumbai 400 020	U72200MH2000PTC124290	Subsidiary	100%	2(87)
14.	Globalcom Mobile Commerce Limited (Formerly known as Reliance Mobile Commerce Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U64201MH2010PLC210643	Subsidiary	100%	2(87)
15.	Reliance Globalcom Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U51900MH2000PLC125366	Subsidiary	100%	2(87)
16.	Reliance Communications Tamil Nadu Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U64201MH2001PLC131627	Subsidiary	100%	2(87)
17.	Reliance Infra Projects Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U70109MH2014PLC259052	Subsidiary	100%	2(87)
18.	Globalcom Realty Limited(Formerly known as Reliance Infra Realty Limited) H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U70109MH2014PLC259224	Subsidiary	100%	2(87)
19.	Internet ExchangeNext.Com Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City , Navi Mumbai 400 710	U51399MH2000PLC217929	Subsidiary	100%	2(87)
20.	Worldtel Tamilnadu Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City , Navi Mumbai 400 710	U64201MH1999PTC220563	Subsidiary	100%	2(87)
21.	Realsoft Cyber Systems Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City , Navi Mumbai 400 710	U72200MH2000PTC219534	Subsidiary	100%	2(87)
22.	Reliance Globalcom B.V. Herikerbergweg 292, 292-342, 1101CT Amsterdam	NA	Subsidiary	100%	2(87)
23.	Reliance Communications (UK) Ltd Unit 5 & 6, Great West Plaza, Riverbank Way, Brentford, TW8 9RE, United Kingdom	NA	Subsidiary	100%	2(87)
24.	Reliance Communications (Hong Kong) Limited 29th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong	NA	Subsidiary	100%	2(87)
25.	Reliance Communications (Singapore) Pte. Limited 10 Anson Road # 18-13,International PlazaSingapore 079903	NA	Subsidiary	100%	2(87)
26.	Reliance Communications (New Zealand) Pte Limited C/o - Ross Melville PKF, Level 5, 50 Anzac Avenue, Auckland, New Zealand	NA	Subsidiary	100%	2(87)
27.	Reliance Communications (Australia) Pty Limited 9 Peach Gardens, Glenwood NSW 2768	NA	Subsidiary	100%	2(87)
28.	Anupam Global Soft (U) Limited Plot - 43, Chwa - 11 Rd, Mbuya, P O Box 70881, Kampala Uganda	NA	Subsidiary	90%	2(87)
29.	Gateway Net Trading Pte Limited 10 Anson Road # 18-13, International Plaza, Singapore 079903	NA	Subsidiary	100%	2(87)
30.	Reliance Globalcom Limited, Bermuda Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda	NA	Subsidiary	100%	2(87)
31.	FLAG Telecom Singapore Pte. Limited 10 Anson Road # 18-13,International Plaza, Singapore 079903	NA	Subsidiary	100%	2(87)
32.	FLAG Atlantic UK Limited Sovereign Court, 635 Sipson Road, West Drayton, Middlesex, UB7 0JE	NA	Subsidiary	100%	2(87)
33.	Reliance FLAG Atlantic France SAS Tour Ariane 5 place de la PyramideParis la Défense cedex 92088 Paris France	NA	Subsidiary	100%	2(87)
34.	FLAG Telecom Taiwan Limited Room No. 102, 4F, No 200, Sec 1, Keelung Road, Taipei, Taiwan	NA	Subsidiary	60%	2(87)
35.	Reliance FLAG Pacific Holdings Limited Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda	NA	Subsidiary	100%	2(87)
36.	FLAG Telecom Group Services Limited Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda	NA	Subsidiary	100%	2(87)
37.	FLAG Telecom Deutschland GmbH Triforum Haus A1 Frankfurter Strasse 233 63263 Neu-Isenburg Germany	NA	Subsidiary	100%	2(87)
38.	FLAG Telecom Hellas AE 75 Patission Street, 10434 Athens, Greece	NA	Subsidiary	100%	2(87)
39.	FLAG Telecom Asia Limited Suite 3901-2, 39F, Lippo Centre, Tower two, 89 Queensway, Hong Kong	NA	Subsidiary	100%	2(87)
40.	FLAG Telecom Nederland B.V. Sovereign Court, 635 Sipson Road, West Drayton, Middlesex, UB7 0JE	NA	Subsidiary	100%	2(87)
41.	Reliance Globalcom (UK) Limited Sovereign Court, 635 Sipson Road, West Drayton, Middlesex, UB7 0JE	NA	Subsidiary	100%	2(87)
42.	Yipes Holdings Inc. 3190 S Vaughn Way Suite 550 Aurora CO CO 80014 United States	NA	Subsidiary	100%	2(87)
43.	Reliance Globalcom Services Inc. 3190 S Vaughn Way Suite 550 Aurora CO CO 80014 United States	NA	Subsidiary	100%	2(87)

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
44.	YTV Inc. 3190 S Vaughn Way Suite 550 Aurora CO CO 80014 United States	NA	Subsidiary	100%	2(87)
45.	Reliance Infocom Inc. 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808	NA	Subsidiary	100%	2(87)
46.	Reliance Communications Inc. 2711, Centerville Road, Suite 400, City of Wilmington, Country of New Castle, Delaware 19808	NA	Subsidiary	100%	2(87)
47.	Reliance Communications International Inc. 2711 Centerville Road, Sutie 400, City of Wilmington, Country of New Castle, Delaware 19808	NA	Subsidiary	100%	2(87)
48.	Reliance Communications Canada Inc. 2711, Centerville Road, Suite 400, City of Wilmington, Country of New Castle, Delaware 19808	NA	Subsidiary	100%	2(87)
49.	Bonn Investment Inc. 2711, Centerville Road, Suite 400, City of Wilmington, Country of New Castle, Delaware 19808	NA	Subsidiary	100%	2(87)
50.	FLAG Telecom Development Limited Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM11, Bermuda	NA	Subsidiary	100%	2(87)
51.	FLAG Telecom Development Services Company LLC Nile City Towers, North Tower, 23 rd Floor, Cornish El Nil, Ramlet Boulak, Cairo, Egypt	NA	Subsidiary	100%	2(87)
52.	FLAG Telecom Network Services DAC 6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland	NA	Subsidiary	100%	2(87)
53.	Reliance FLAG Telecom Ireland DAC 6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland	NA	Subsidiary	100%	2(87)
54.	FLAG Telecom Japan Limited 1-10-2, Kanda-Ogawamachi, Chiyoda-ku, Tokyo, Japan	NA	Subsidiary	100%	2(87)
55.	FLAG Telecom Ireland Network DAC 6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland	NA	Subsidiary	100%	2(87)
56.	FLAG Telecom Network USA Limited 3190 S Vaughn Way Suite 550 Aurora CO CO 80014 United States	NA	Subsidiary	100%	2(87)
57.	FLAG Telecom Espana Network SAU Calle Bahía de Pollensa nº 5, P.C. 28042 in Madrid, Spain.	NA	Subsidiary	100%	2(87)
58.	Seoul Telenet Inc. Suite 2302, 23/F City Air Tower 159-9, Samsung-dong, Kangnam-ku, Seoul, 135973, Korea	NA	Subsidiary	49%	2(87)
59.	FLAG Holdings (Taiwan) Limited No 200, Sec. 1, Keelung Road, Taipei , Taiwan	NA	Subsidiary	50%	2(87)
60.	Reliance Vanco Group Ltd Sovereign Court, 635 Sipson Road West Drayton Middlesex UB7 OJE United Kingdom	NA	Subsidiary	100%	2(87)
61.	Euronet Spain SA c/ Bahía de Pollensa, 5 28042 Madrid, Spain	NA	Subsidiary	100%	2(87)
62.	Vanco (Shanghai) Co Ltd. Room 39, 47F, Hong Kong New World Tower No. 300, Middle Huaihai Road Lu Wan District Shanghai, 200021, PRC, China	NA	Subsidiary	100%	2(87)
63.	Vanco (Asia Pacific) Pte. Ltd. 19/F Singapore Land Tower, 50 Raffles Place Singapore 048623	NA	Subsidiary	100%	2(87)
64.	Vanco Australasia Pty. Ltd. Level 8, 54 Miller Street North Sydney NSW 2060 Australia	NA	Subsidiary	100%	2(87)
65.	Vanco Sp Zoo Marynarska Point Phase II, Ul. Postepu 15C, 02-676, Warsaw, Poland	NA	Subsidiary	100%	2(87)
66.	Vanco GmbH TriforumHaus A1 Frankfurter Strasse 233, 63263 Neu-Isenburg Germany	NA	Subsidiary	100%	2(87)
67.	Vanco Japan KK 1-10-2, Kanda-Ogawamachi, Chiyoda-ku Tokyo, Japan	NA	Subsidiary	100%	2(87)
68.	Vanco NV Drie Bomenstraat 62, 1180 Ukkel, Belgium	NA	Subsidiary	100%	2(87)
69.	Vanco SAS 5 place de la Pyramide Paris la Défense cedex 92088 Paris France	NA	Subsidiary	100%	2(87)
70.	Vanco South America Ltda AvenidaPaulista 2300 AndarPilotis - Cerqueira, Sao Paulo 01310-300 Brazil	NA	Subsidiary	100%	2(87)
71.	Vanco Srl Torre Tonda Piazza Don Mapelli 1 Sesto San, Giovanni 20099 Milan Italy	NA	Subsidiary	100%	2(87)
72.	Vanco Sweden AB C/o EkonomsupportTallkrogsplan 93 122 60, Enskede Sweden	NA	Subsidiary	100%	2(87)
73.	Vanco Switzerland AG Förrlibuckstrasse 30 8005 Zurich Switzerland	NA	Subsidiary	100%	2(87)

Directors' Report

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
74.	Vanco Deutschland GmbH TriforumHaus A1 Frankfurter Strasse 233, 63263 Neu-Isenburg Germany	NA	Subsidiary	100%	2(87)
75.	Vanco BV Herikerbergweg 292 - 342, 1101 CT, Amsterdam, Netherlands	NA	Subsidiary	100%	2(87)
76.	Vanco Benelux BV Kruisweg 829, 2132, NG, Hoofddorp Netherlands	NA	Subsidiary	100%	2(87)
77.	Vanco UK Ltd Sovereign Court, 635 Sipson Road West Drayton Middlesex UB7 OJE United Kingdom	NA	Subsidiary	100%	2(87)
78.	Vanco International Ltd Sovereign Court, 635 Sipson Road West Drayton Middlesex UB7 OJE United Kingdom	NA	Subsidiary	100%	2(87)
79.	Vanco Row Limited Sovereign Court, 635 Sipson Road West Drayton Middlesex UB7 OJE United Kingdom	NA	Subsidiary	100%	2(87)
80.	Vanco Global Limited Sovereign Court, 635 Sipson Road West Drayton Middlesex UB7 OJE United Kingdom	NA	Subsidiary	100%	2(87)
81.	VNO Direct Limited Sovereign Court, 635 Sipson Road West Drayton Middlesex UB7 OJE United Kingdom	NA	Subsidiary	100%	2(87)
82.	Vanco US LLC 3190 S Vaughn Way Suite 550 Aurora CO CO 80014 United States	NA	Subsidiary	100%	2(87)
83.	Vanco Solutions Inc 3190 S Vaughn Way Suite 550 Aurora CO CO 80014 United States	NA	Subsidiary	100%	2(87)
84.	Net Direct SA (Proprietary) Ltd. (Under liquidation) Accord House, 2 Golf Course Drive, Mount Edgecombe, 4320, South Africa	NA	Subsidiary	100%	2(87)
85.	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Arch Makariou III 229 Meliza Court 4th Floor P.C. 3105, Limassol, Cyprus	NA	Subsidiary	0%	2(87)
86.	Lagerwood Investments Limited Arch Makariou III 229 Meliza Court 4th Floor P.C. 3105, Limassol, Cyprus	NA	Subsidiary	0%	2(87)
87.	Global Cloud Xchange Limited Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM 11,Bermuda	NA	Subsidiary	100%	2(87)
88.	GCX Limited Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM 11, Bermuda	NA	Subsidiary	100%	2(87)
89.	Aircom Holdco B.V. Haaksbergweg 711101 BR Amsterdam	NA	Subsidiary	100%	2(87)
90.	Towercom Infrastructure Private Limited H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	U64204MH2016PTC287734	Subsidiary	99.52%	2(87)
91.	Warf Telecom International Private Limited 2nd Floor, HDL Building, Hulhumale male' Republic of Maldives	NA	Associate	20%	2(6)
92.	Mumbai Metro Transport Private Limited 502, Plot No. 91/94, Prabhat Colony, Santacruz (E), Mumbai - 400 055	U60222MH2009PTC196739	Associate	26%	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (April 1,2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	9845709	0	9845709	0.40	9845709	0	9845709	0.36	-0.04
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	1454851135	0	1454851135	58.45	1454851135	0	1454851135	52.61	-5.85
e)	Banks / FI	-	-	-	-		-	-	-	-
f)	Any Other	-	-	-	-		-	-	-	-
Sub-Total (A)(1):		**1464696844**	**0**	**1464696844**	**58.85**	1464696844	0	1464696844	52.96	-5.88
(2)	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoters (A) =(A)(1)+(A)(2)		**1464696844**	**0**	**1464696844**	**58.85**	**1464696844**	**0**	**1464696844**	**52.96**	-5.88

Category of Shareholders	No. of Shares held at the beginning of the year (April 1,2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	30876664	377731	31254395	1.26	5190649	236016	5426665	0.20	-1.06
b) Banks / FI	5913366	103577	6016943	0.24	7989914	36184	8026098	0.29	0.05
c) Central Govt.	416212	804945	1221157	0.05	416212	803125	1219337	0.04	0.00
d) State Govt(s)	-	-	-	-	0	0	0	0.00	0.00
e) Venture Capital Funds	-	-	-	-	0	0	0	0.00	0.00
f) Insurance Companies	176262693	5729	176268422	7.08	176262693	4200	176266893	6.37	-0.71
g) FIIs	29310274	116571	29426845	1.18	295599	62638	358237	0.01	-1.17
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) (FPI)	373836734	0	373836734	15.02	227356159	0	227356159	8.22	-6.80
Sub-Total (B)(1):	616615943	1408553	618024496	24.83	**417511226**	**1142163**	**418653389**	**15.14**	**-9.69**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	61440665	463463	61904128	2.49	237484969	288131	237773100	8.60	6.11
ii) Overseas	97327	31665	128992	0.01	92668	28470	121138	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lac.	230278806	32025427	262304233	10.54	86621424	29060	86650484	3.13	-7.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	30853464	0	30853464	1.24	336092135	22740863	358832998	12.98	11.74
c) Others (specify)									
i) NRI	17645976	2322770	19968746	0.80	18407411	1884160	20291571	0.73	-0.07
ii) Sistema Shyam TeleServices Limited (SSTL)	0	0	0	0	137862453	0	137862453	4.99	4.99
iii) IEPF	0	0	0	0	13155323	0	13155323	0.48	0.48
Sub-Total (B)(2):	340316238	34843325	375159563	15.07	**829716383**	**24970684**	**854687067**	**30.90**	**15.83**
Total Public Shareholding (B)=(B)(1)+(B)(2)	956932181	36251878	993184059	39.91	**1247227609**	**26112847**	**1273340456**	**46.04**	**6.14**
C. Non Promoter Non Public									
1) Shares held by Custodian for GDRs	9819842	0	9819842	0.39	6216750	0	6216750	0.22	-0.17
2) ESOS Trust	21279000	0	21279000	0.85	21279000	0	21279000	0.77	-0.09
Grand Total (A+B+C)	2452727867	36251878	2488979745	100.00	**2739420203**	**26112847**	**2765533050**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1,2017)			Shareholding at the end of the year (March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares**	
1.	Reliance Telecom Infrainvest Private Limited	86666667	3.48	0	86666667	3.13	0	-0.35
2.	Reliance Communications Enterprises Private Limited	723110172	29.05	25.31	723110172	26.15	13.25	-2.91
3.	Reliance Wind Turbine Installators Industries Private Limited	300000000	12.05	12.05	300000000	10.85	2.28	-1.21
4.	Reliance Ornatus Enterprises and Ventures Private Limited	300000000	12.05	0	300000000	10.85	0.36	-1.21
5.	Shri Jai Anmol A. Ambani	1669759	0.07	0	1669759	0.06	0	-0.01
6.	Shri Jai Anshul A. Ambani	100	0.00	0	100	0.00	0	0.00
7.	Reliance Capital Limited	29695295	1.19	0	29695295	1.07	0	-0.12
8.	Shreeji Comtrade LLP	1500000	0.06	0	1500000	0.05	0	-0.01
9.	Shrikrishna Tradecom LLP	1500000	0.06	0	1500000	0.05	0	-0.01
10.	Reliance Innoventures Private Limited	12379001	0.50	0.50	12379001	0.45	0	-0.05
11.	Shri Anil D. Ambani	1859171	0.07	0	1859171	0.07	0	-0.01
12.	Smt. Kokila D. Ambani*	4665847	0.19	0	4665847	0.17	0	-0.02
13.	Smt. Tina A. Ambani	1650832	0.07	0	1650832	0.06	0	-0.01
	Total	**1464696844**	**58.85**	**37.86**	**1464696844**	**52.96**	**15.90**	**-5.88**

* As per disclosure, pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 received from the Promoters alongwith Persons Acting in Concert 10,00,000 (0.04%) equity shares purchased by the discretionary Portfolio Manager of Smt. Kokila D. Ambani under the Portfolio Management Scheme (PMS) have been credited to a separate Demat Account specifically opened for PMS purpose as per the SEBI requirements. No voting or other rights/interest is held on those shares, except the economic interest in PMS. This is disclosed by way of an abundant caution.

** The term "encumbrance" has the same meaning as assigned to it in Regulation 28 (3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Shareholders listed above are promoters as per disclosure received under Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as on March 31, 2018.

iii) Change in Promoters' Shareholding (Please specify, if there is no change): No Change in shareholding.

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	-	-	-	-
2.	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	-	-	-	-
3.	At the end of the year	-	-	-	-

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 01, 2017)		Increase / Decrease	Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	164688199	6.62	0	164688199	5.96
2.	New World Fund Inc	99234735	3.99	-99234735	0	0.00
3.	CLSA Global Markets Pte. Ltd.	42285000	1.70	0	42285000	1.53
4.	SmallCap World Fund, Inc	40480854	1.63	-40480854	0	0.00
5.	Reliance Capital Trustee co. Ltd a/c Reliance Etf Consumption	27931953	1.12	-22786002	5145951	0.19
6.	American Funds Insurance Series New World Fund	27809331	1.12	-27809331	0	0.00
7.	Ontario Teachers' Pension Plan Board-Np3a - All	25000000	1.00	-25000000	0	0.00
8.	Reliance ADA Group Trustees Pvt. Ltd.	21279000	0.85	0	21279000	0.77
9.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	18070620	0.73	-856322	17214298	0.62
10.	Dimensional Emerging Markets Value Fund	16993662	0.68	-3287759	13705903	0.50
11.	Sistema Shyam Teleservices Limited	0	0.00	137862453	137862453	4.99
12.	Alankit Assignments Limited-Collateral Account	0	0.00	55489022	55489022	2.01
13	Intell Invofin India Private Limited	0	0.00	30498050	30498050	1.10
14	Cellphone Credit & Securities India Private Limited	0	0.00	15211294	15211294	0.55
15	A T Invofin India Pvt Ltd	0	0.00	15211294	15211294	0.55
16	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)	0	0.00	14155029	14155029	0.51
17	Delaware Group Global And International Funds-Delaware Emerging Markets Fund	10114849	0.41	-10114849	0	0.00
18	Vanguard Total International Stock Index Fund	12738381	0.51	897420	13635801	0.49

Note: The date wise increase or decrease in shareholding of the top ten shareholders is available on the 'Investor Relations' Section of the website of the Company at www.rcom.co.in

v) Shareholding of Directors and Key Managerial Personnel (KMPs)

1. Shri Anil D. Ambani, Chairman of the Company holds 18,59,171 equity shares at the beginning and end of the year.
2. Shri A.K. Purwar, Shri Deepak Shourie, Prof. J. Ramachandran, Shri R. N. Bhardwaj, Smt. Manjari Kacker, Smt. Ryna Karani, Smt Chhaya Virani, Shri Suresh Rangachar and Shri Manikantan V, Directors of the Company hold nil shares at the beginning and end of the year.
3. Shri Punit Garg, Executive Director holds 1 equity share at the beginning and end of the year.
4. Shri Prakash Shenoy, Company Secretary holds nil equity share at the beginning and end of the year.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	30,179	6,619	-	36,798
ii. Interest due but not paid	413	7	-	420
iii. Interest accrued but not due	248	88	-	336
Total (i+ii+iii)	30,840	6,714	-	37,554
Change in Indebtedness during the financial year				
• Additions	2,883	3,951	-	6,834
• Reduction	(4,944)	(2,775)	-	(7,719)
Net Change	(2,061)	1,176	-	(885)
Indebtedness at the end of the financial year				
i. Principal Amount	28,118	7,795	-	35,913
ii. Interest due but not paid	295	76	-	371
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**28,413**	**7,871**	**-**	**36,284**

VI. Remuneration of Directors and Key Managerial Personnel

(A) Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Shri Punit Garg* Executive Director	Shri Manikantan V.* Director and CFO	Prakash Shenoy#, Manager
1.	Gross Salary			
	a) Salary as per provisions contained u/s section 17(1) of the Income-tax Act, 1961	105.61	82.72	37.57
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.42	-	0.60
	c) Profits in lieu of salary u/s 17(3) of the Income- tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission	-		-
5.	Others, please specify	-		-
	Total (A)	**106.03**	**82.72**	**38.17**
	Ceiling as per the Act	126.41	126.41	69.27

* Shri Punit Garg was appointed as an Executive Director and Shri Manikantan V. was appointed as a Director and CFO w.e.f: October 2, 2017.

Shri Prakash Shenoy ceased to be Manager of the Company w.e.f. October 18, 2017

(B) Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.		Particulars of Remuneration	Name of Director						Total Amount
1.	Independent Directors		**Prof J. Ramachandran**	**Shri Deepak Shourie**	**Shri A.K. Purwar**	**Shri R.N. Bhardwaj**	**Smt Chhaya Virani**	**Smt Ryna Karani**	
		• Fee for attending board/ committee meetings	6.80	2.00	8.00	8.40	2.00	0.80	**28.00**
		• Commission	-	-	-	-			**-**
		• Others, please specify	-	-	-	-			**-**
		Total (1)	**6.80**	**2.00**	**8.00**	**8.40**	**2.00**	**0.80**	**28.00**
2.	Other Non Executive Directors		**Shri Anil D. Ambani**	**Smt. Manjari Kacker**	**Shri Suresh Rangachar**				
		• Fee for attending board/ committee meetings	4.4	8.40	0.00	-	-	-	**12.80**
		• Commission	-	-	-	-	-	-	**-**
		• Others, please specify	-	-	-	-	-	-	**-**
		Total (2)	**4.4**	**8.40**	**0.00**	-	-	-	**12.80**
		Total (B) = (1 + 2)							**40.80**
		Total Managerial Remuneration (A+B)							**267.72**
	Overall Ceiling as per the Act								424.09

(C) Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Manikantan V., Chief Financial Officer and Director*	**Shri Prakash Shenoy, Company Secretary#**	**Total Amount**
1.	Gross Salary			
	a. Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	37.65	47.39	85.04
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	0.66	0.66
	c. Profits in lieu of salary u/s 17(3) of the Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify - other allowance	85.87	-	-
	Total	**123.52**	**48.05**	**171.57**

* Till October 1, 2017, Shri Manikantan V. was Chief Financial Officer and thereafter was appointed as Wholetime Director designated as a Director and Chief Financial Officer.

Till October 17, 2017, Shri Prakash Shenoy was Manager and Company Secretary and thereafter from October 18, 2017, he ceased to be a Manager of the Company.

VII. Penalties / Punishment / Compounding Of Offences:

There were no penalties, punishment or compounding of offences (except one application made to SEBI for settlement of violation in the matter of disclosures under Listing Regulations, which is pending) to the Company, directors and other officers of the Company during the year ended March 31, 2018.

Annexure – E

I. Conservation of Energy:

The steps taken or impact on conservation of energy The steps taken by the Company for utilizing alternate sources of energy The capital investment on energy conservation equipments	The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.

II. Technology Absorption, Adoption and Innovation:

i. The efforts made towards technology absorption ii. The benefits derived like product improvement, cost reduction, product development or import substitution iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. The details of technology imported b. The year of import c. Whether technology been fully absorbed ? d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	The Company uses latest technology and equipments in its business. Further the Company is not engaged in any manufacturing activities.
iv. The expenditure incurred on Research and development	The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

III. Total foreign exchange earnings and outgo:

a. Total Foreign Exchange earnings : ₹ 630.87 crore

b. Total Foreign Exchange outgo : ₹ 648.20 crore

ANNEXURE – F

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18.

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has a robust CSR Policy at Group level. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country.

Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link www.rcom.co.in/Rcom/aboutus/ir/pdf/CSR-Policy.pdf.

2. The Composition of the CSR Committee:

1.	Smt. Manjari Kacker	-Director	-	Chairperson
2.	Shri R. N. Bhardwaj	-Independent Director	-	Member
3.	Prof. J. Ramachandran	-Independent Director	-	Member
4.	Shri Deepak Shourie	-Independent Director	-	Member
5.	Shri A. K. Purwar	-Independent Director	-	Member
6.	Shri Punit Garg	-Executive Director	-	Member
7.	Shri Manikantan V.	-Director and CFO	-	Member
8.	Smt. Ryna Karani	-Independent Director	-	Member
9.	Smt. Chhaya Virani	-Independent Director	-	Member

3. Average net profit of the Company for last three financial years:

Average net loss of ₹ 3,247 crore.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company and its subsidiary companies continue to do CSR activities. Details of which are given elsewhere in this report.

5. Details of CSR spent during the financial year:

a. Total amount spent for the financial year :- NA

b. Amount unspent, if any :- NA

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Projects or activity identified.**	**Sector in which the project is covered.**	**Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.**	**Amount Outlay (budget) Project or Programs wise.**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:**	**Cumulative Expenditure upto the reporting period.**	**Amount spent: Direct or through implementing agency.**

Not applicable

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable.

7. A Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

	Punit Garg	**Manjari Kacker**
Date: July 18, 2018	Executive Director	Chairperson, CSR Committee

Forward-looking statements

Statements in this Management Discussion and Analysis of Financial Conditions and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of the future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statements. Important factors that could influence the Company's operations include interconnect usage charges, determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Communications Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect, in a true and fair manner, the state of affairs for the year.

The following discussions on our financial conditions and results of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RCOM", "RCOM Group" or "Reliance Communications" are to Reliance Communications Limited and its subsidiary companies, joint ventures and associate companies.

Macroeconomic Overview

Indian Economic Environment

The Indian economy recovered strongly from the transient impact of demonetization of high value currency notes in late 2016 and the impact of implementation of a country-wide Goods and Services Tax. As per the Central Statistics Organization (CSO) second advance estimates, the Indian economy grew by 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19 and 7.5 per cent in 2019-20. As per NASSCOM, India is the third largest base to boost startup culture with over 4,750 technology start-ups. The foreign exchange reserves were approx. US$ 424 billion in March 2018. The bank recapitalization plan by Government is expected to push credit growth to 15 per cent. In addition, Government continued with major reform particularly in the field of corporate insolvency resolution via National Company Law Tribunal (NCLT route). Over 100 cases have been referred to NCLT for faster resolution since its inception.

Inflation continued with its downtrend, with CPI averaging 3.6 per cent in 2017-18 versus 4.5 per cent in 2016-17. A favourable monsoon, efficient food supply management by Government and continued rationalization in Minimum Support Prices helped keep food inflation in check. The uptick in fuel inflation and housing inflation caused due to higher crude oil prices and 7th Central Pay Commission HRA norms, respectively, has negated the moderation in food inflation.

Benign inflationary pressures meant that the RBI could deliver a 25bps reduction in repo rates, bringing the rates down to 6 per cent. However, reversal of excess liquidity post the demonetization episode led to hardening of interest rates in the latter half of the year, with bond yields rising by over 70 bps in 2018 – and signaling a period of increasing interest rates.

Central government fiscal deficit slipped marginally in 2017-18 to 3.5 per cent of the GDP. These, however, were the outcome of short-term adjustments to GST, and other structural reforms. However, the Government has reinstated a plan to return to the path of consolidation by projecting a reduction in fiscal deficit to 3.3 per cent of GDP in FY19. It also adopted key recommendations of the Fiscal Responsibility and Budget Management (FRBM) with a medium term fiscal policy aim of reducing the cumulative government (Center + State) debt to 60 per cent of GDP by FY25.

Reforms measures initiated by the Government has also resulted in a significant improvement in direct tax compliance in 2017-18. Central Government direct tax collection touched nearly ₹ 10 Lakh crore in 2017-18, a growth of 18 per cent. There has been an addition of 1 crore new taxpayers in 2017-18.

The country's reforms agenda has been showing external results as well. For the first time ever, India has jumped 30 positions to become one amongst the top 100 countries in the "Ease of doing Business" ranking. Similarly, the improvement in the country's business environment has stabilized India's ranking in the global competitiveness index, prepared by the World Economic Forum, in 2017. Moody's has upgraded India's Sovereign rating, after 14 years, to Baa2 with a stable economic outlook.

GDP Growth

As per various estimates, India's GDP growth is likely to recover in 2018-19 to 7.3 - 7.5 per cent from 6.6 per cent in 2017-18. Post two major economic events in the form of demonetisation and GST, economic activity has begun to recover quite sharply. The recovery will continue to find support going forward due to a number of factors such as: a) higher government spending ahead of elections, b) strong global growth helping both goods and services exports, c) strong rural demand aiding by normal monsoon, d) continued buoyancy in urban indicators, e) pick in labour market conditions, f) pickup in spending in key infra sectors like roads, irrigation and power transmission and g) the recovery in various labour intensive sectors which were impacted by GST implementation.

Industrial Production

During 2017-18, the Index of Industrial Production (IIP) grew by 4.3 per cent compared with a growth of 4.6 per cent in 2016-17. The manufacturing sector which accounts for 77 per cent in the index grew at slow pace. The decline was led by contraction of capital goods output, while mining and electricity grew at modest rate. Besides, sectors like construction goods and consumer non durables have posted strong growth in fourth quarter of 2017-18. Credit growth is also picking up, and there are nascent signs that few segments within manufacturing related to consumer goods, metals, etc have started to expand their production capacities.

Inflation and Interest Rate

Along with growth, we are also likely to witness firming up of inflation. However, while prices of oil and other commodities are hardening in recent months, the overall impact will likely remain within acceptable boundaries, aided by prudent Government spending and good monsoon should keep the inflation under control. While the RBI has maintained a neutral stance for nearly a year now, there is increasing likelihood of a return to a higher interest rate regime if inflation pressures continue.

While the surplus liquidity observed during the immediacy of demonetization drained out during the course of the year, overall liquidity remains fair, and is supported by proactive RBI actions through injection of durable liquidity into the system.

Current Account Deficit (CAD) and the exchange rate

India's current account deficit (CAD) has reached nearly 2 per cent of GDP, as oil prices and electronics imports have surged. Oil prices have risen by over US$ 10 a barrel between December 2016 and December 2017. India's current account in the balance of payments ended in a deficit of US$ 13.5 billion in the quarter ended December 2017, up from US$ 8.0 billion or 1.4 per cent of GDP in the previous corresponding quarter and US$ 7.2 billion (1.1 per cent of GDP) in the preceding quarter ended September 2016. The CAD also constitutes services. Net services receipts increased by 17.8 per cent on year-on-year basis led by rise in net earnings from software services and travel receipts. RBI reported an increase of US$ 9.4 billion to the foreign exchange reserves as against depletion of US$ 1.2 billion in third quarter of 2016-17. Other than CAD, global financial conditions, particularly in the second half of 2018-19 will dictate the domestic currency. Some downward pressure may remain despite recent weakness.

The Indian Economy

The year 2017 was marked by key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. Currently, the economy seems to be on the growth path, with indicators of industrial production, stock market index, auto sales and exports having shown uptick. We believe that India's economic outlook remains promising for FY17-18 and is expected to strengthen further in FY18-19. The Government has come up with various policy measures to boost growth:

- Goods & Services Tax: with the aim to consolidate all indirect tax laws and to also bring a harmonized tax structure and uniform compliance practice both by regulators and businesses.
- Insolvency and Bankruptcy Code: a one stop solution for resolving insolvencies which offer economically viable arrangement and at the same time protect the interests of small investors and make the process of doing business simpler.
- Jan Dhan Yojana and Aadhaar: During the year, a total of 307 million accounts have been opened under PMJDY and a total of ₹ 2,421.8 billion had been deposited in approx. 3.74 PMJDY accounts.
- Ayushman Bharat: Government initiative which is aimed at addressing health holistically, in primary, secondary and tertiary care systems, covering both prevention and health promotion.

India's fiscal deficit has steadily declined over the years. The gross tax to GDP ratio has risen by 0.2 per cent to 11.6 per cent in FY17-18 and is expected to grow ~ 12.1 per cent for FY18-19. The tax revenues are expected to grow by 16.6 per cent in FY18-19 as compared to 15.3 per cent in FY17-18. On the expenditure side, the government has budgeted a 10 per cent growth for FY18-19 as compared to a growth of 12.3 per cent in FY17-18. Based on these estimates, the government has estimated that the fiscal deficit will reduce from 3.5 per cent in FY17-18 to 3.3 per cent in FY18-19.

Inflation remains largely under control, though some risks have emerged. The main challenges include rising crude oil prices on account of global oil output cuts. CPI inflation for FY18-19 is likely to come in at an average of around 3.9 per cent for the full fiscal year. In February 2018, the monetary policy committee in stipulated that inflation will remain around 5.1-5.6 per cent in 1H FY18-19 and then ease at 4.5-4.6 per cent in 2H FY18-19. The monetary action by the RBI is expected to hover around this inflation data.

While the Indian economy has regained the tag of the 'fastest growing economy', factors such as balancing forces on the economic front, corporate earnings recovery, visible benefits from recent government initiated reforms and trend towards financial savings and digitization would help in reviving the growth.

Global Telecom Trends

Network providers are striving to make 5G a reality as soon as possible. Telcos around the world have already developed 5G architecture and have initiated lab and field trials for the basic connectivity elements in their race to gain a competitive advantage in the market. The promise of 5G-faster speeds, greater efficiency and less latency-will be a major push for connected devices in the future. It is expected to be an enabler of Next-Generation IoT and M2M applications such as augmented reality and self-driven vehicles.

Telecom companies will lay more emphasis on security, as they have realized the increasing vulnerability of infrastructure linking networks to attacks. In the ongoing year, network security is a top priority for operators, more so as encryption transitions from a niche play to a more pervasive technology.

The constantly growing competition from Over-the-top (OTT) players, who offer apps and content streaming directly via the Internet, will drive telecom companies and other service providers to partner with and become primary OTT solution providers in their own way-to drive revenues, counter-balance downward price pressures and build customer loyalty. This rise in operator-led OTT services will not only expand market opportunities, but will also redirect a fraction of the global OTT spend back towards network and service providers.

Indian Telecom Industry

Mobile data consumption in India surpassed the combined usage of the US and China in 2017-18, a year that saw the landscape of the telecom sector being altered with bitter competition and setting-in of the much-awaited consolidation phase.

The Indian telecom sector-second only to China with its massive subscriber base of 1.1 billion users-saw hyper competition for the most part of the year, as free voice calls and ultra-cheap data saw operators forcibly rein in tariffs, which cheered consumers. The sector has been under pressure since 2009; with high financial leverage caused by rising capex-the industry has a cumulative debt of around ₹ 4.6 trillion, while revenues are under ₹1.8 trillion-and increasingly thin margins. Competition forced market consolidation as smaller players bailed out and the incumbents joined hands to cement their position. Consolidation led to fewer players and fewer jobs. With consolidation and the poor financial health of the sector, telcos are being forced to cut staff strengths significantly.

In 2017-18, telecom operators flooded subscribers with data offers, and the ongoing year is going to be the same. Data remains the key focus area for the industry and operators continue to target higher data usage and deeper penetration of data services.

Some fundamental changes would be critical for the sector-it is estimated that the industry will require an investment of ₹ 3 lakh crore in the coming years for innovation and infrastructure expansion. Telcos will move to innovative business models in their bid to counter falling revenues. Converged services with voice telephony, wired and wireless broadband and television services, along with content, Internet of Things and financial payments services, are likely to help usher in newer revenue streams.

Industry statistics

- Total number of telephone subscribers (Wireless and Wireline) in India reduced to 1,180 million at the end of February 2018, against 1,195 million at the end of March 2017.
- Wireless subscribers accounted for 98% of the overall telecom subscriber base.
- Wireless tele-density remained flat at 91% in February 2018, akin to that at the end of March 2017.
- Private sector players continued to maintain the bulk of the market share and accounted for 91% of wireless connections as on February 28, 2018.
- The Internet subscriber base showed growth and at the end of February 2018, the total as at 445 million, against 422 million in March 2017. Wireless Internet continued to remain the preferred medium of access and accounted for nearly 95% of the subscriber base.

Outlook

Telcos will start investment in Artificial Intelligence (AI) technology to improve customer experience and enhance efficiencies in their business areas. Investments in improving network efficiency, spectrum efficiency, network coverage, content, Cloud, virtualization and analytics will gain more emphasis this year as telecom operators continue to reel under severe financial pressures.

Big appliance manufacturing companies will continue their struggle in the Indian Smartphone market. Telcos will try to enhance their 4G base with higher ARPU in order to improve revenue inflows. Content will play an active role in influencing 4G customer additions, and Cloud-driven delivery on the enterprise business front will become a top priority.

Regulatory Developments

1. National Digital Communications Policy

DOT has published a draft policy for the Telecom sector for comments. DOT has renamed the National Telecom Policy as National Digital Communications Policy, 2018. The policy is expected to be finalized in Q2 FY 2018-19. The National Digital Communications Policy aims to accomplish the following Strategic Objectives by 2022:

a) Provisioning of Broadband for All.

b) Creating 4 Million additional jobs in the Digital Communications sector.

c) Enhancing the contribution of the Digital Communications sector to 8% of India's GDP, from ~ 6% in 2017.

d) Propelling India to the Top 50 Nations in the ICT Development Index of the ITU, up from 134 in 2017.

e) Enhancing India's contribution to Global Value Chains.

f) Ensuring Digital Sovereignty.

2. Interconnection usage charges

a. On September 19, 2017, TRAI released the Telecommunication Interconnection Usage Charges (13th Amendment) Regulation, which reduced mobile termination charges to 6 paisa per minute, from the then prevailing 14 paisa per minute, w.e.f. October 1, 2017 to December 31, 2019, and to zero w.e.f. from January 1, 2020.

b. On January 12, 2018, TRAI released the Telecommunication Interconnection Usage Charges (14th Amendment) Regulation, which reduced termination charges for international Calls to 30 paisa per minute, from the then prevailing 53 paisa per minute w.e.f. February 1, 2018.

3. Deferred Payment Liabilities on Spectrum

On March 19, 2018, DoT made an amendment in the license regarding payment of deferred payment liabilities of TSPs, on spectrum won in auction in the years 2012, 2013, 2014, 2015 and 2016, whereby:

a) There is a one-time opportunity for the Licensee to opt one time for payments by a higher number of instalments including the financial year 2017-18 (maximum 16 instalments) for deferred payment as detailed below:

Year of Auction	Restructured number of Instalments
2012	14
2013	14
2014	15
2015	16
2016	16

b) The above one-time opportunity is another option in addition to current available payment terms.

c) No change in the moratorium period as provided in the respective NIAs.

d) Installments already paid shall not be modified.

4. Spectrum Cap

The quantum of Spectrum which an operator can hold has been modified. The Cap for spectrum holdings has been revised as below:

a) Overall spectrum Cap is revised from the current limit of 25% to 35%.

b) Intra-band Cap removed and a Cap of 50% on the combined spectrum holding in below 1 GHz bands introduced.

c) No Cap for individual or combined spectrum holding in above 1 GHz band.

5. Spectrum Sharing

Our Spectrum Sharing arrangement with RJIO will continue with minor changes (sharing of spectrum with RJIO in Gujarat LSA was called off in September 30, 2017 after expiry of spectrum held by RJIO).

6. Equipment deployment by Licensee:

DoT issued an amendment to its license conditions, wherein the Licensee may deploy any equipment anywhere in India subject to the interconnection points being located and operated in the respective service areas for inter-operator, inter-service areas, NLD and ILD calls and meeting the security conditions, as mentioned in License.

7. Harmonization of Spectrum

DoT undertook a harmonization exercise for spectrum in the 800 MHz and 1800 MHz bands in September, 2017 to address the spectrum allocated subsequent to the 2016 auctions.

8. Review of National Frequency Allocation Plan

DoT / WPC continued the exercise to review NFAP – 2011, which was based on the policies of the World Radio Communication Conference (WRC-2007) of the ITU, to align it with the decisions taken in WRC – 2015.

9. e-KYC-based Activations of Mobile Subscribers

DoT, in line with the proceeding in the Hon'ble Supreme Court in the Aadhaar matter, allowed TSP to acquire customers through physical documents also.

10. TRAI Analytics Portal for Coverage

TRAI released a beta version of its Web-based application which allows the customer to check the mobile network coverage at particular areas for all TSPs. This application gives technology-wise network coverage strength for all TSPs for indoor / outdoor / data and voice coverage. Four levels of coverage have been populated on the coverage map:

a. Likely to get good and stable coverage

b. Likely to get good coverage

c. Unlikely to get stable coverage

d. No Coverage

11. Unsolicited Commercial Communications

TRAI released a draft regulation to curb the menace of unsolicited commercial communications. It prescribes:

a) Use of block chain technology while capturing the preference of customers.

b) Registration of sending IDs and a template for transactional and promotional communications.

c) Penalty on TSPs in the event of contravention.

d) It also prescribes the use of distributed ledger technology for complaints handing.

12. Interconnection regulation

On January 1, 2018, TRAI released the Telecommunication Interconnection Regulations, 2018 (1 of 2018), effective from February 1, 2018. Salient features of the regulations are:

a) Every service provider shall, within 30 days of receipt of request from a service provider, enter into an interconnection agreement on a non-discriminatory basis with such service providers.

b) Procedure for entering into interconnection agreement was specified.

c) The service provider who makes request for entering into interconnection agreement shall be liable to furnish bank guarantee, if demanded by the other party.

d) Interconnection charges such as set-up charges and infrastructure charges may be mutually negotiated between service providers.

e) Procedure for disconnection of POIs was specified.

f) Financial disincentive not exceeding Rupees 1 lakh per day per licensed service area if any service provider contravenes the provisions of these regulations.

13. Mobile Number Portability Charges

The TRAI reviewed the Mobile Number Portability per-port transaction charge and the dipping charges paid by telecom operators to the MNP Service Providers. The charges were reduced to ₹ 4 from the then prevailing ₹ 19, w.e.f January 31, 2018.

14. TTO Defining Predation and SMP

TRAI released the 63rd TTO Order, 2018 on February 16, 2018 which mandates all TSPs to report to the Authority any new tariff for telecommunication services within seven working days from the date of its implementation for information and record of the Authority, after conducting a self-check to ensure that the tariff, including promotional tariff, is consistent with the regulatory principles which, inter-alia, include transparency, non-discrimination and non-predation. This TTO also redefined the definition of SMP and excluded switching capacity from its definition.

15. Closure of Wireless Voice Services

TRAI issued directions to RCOM/ RTL on January 19, 2018 to make a refund of unused balance of all ported out and disconnected prepaid subscribers. It has been represented to TRAI that there is no such provision in the Mobile Number Portability regulations.

16. QoS Regulation Revision

TRAI released a QoS Regulation prescribing revised calculation methods to calculate the call drop rate under Network PMR report. This regulation has done away with the monthly submission of PMR reports and mandates all TSPs to submit the PMR report on a quarterly basis. The regulation now captures the performance of every BTS in regard to call drop rates, as against the averaging of call drop rates in the previous regulation.

17. TRAI Recommendations

i) On September 8, 2017, the Authority gave its recommendation on 'Introduction of UL (VNO) for Access Service Authorization' for Category B licenses with districts of a state as a service area. The scope of the proposed UL (VNO) Cat 'B' licenses should be to provide only wireline access services within a district. Wireless access services shall not be a part of the scope of UL VNO Cat 'B'. The licenses will be issued for 10 years' duration and further renewable for 10 years as per prevailing terms and conditions. Also the UL (VNO) Cat 'B' licensee has to comply with obligations arising from tariff orders/regulations/directions etc. issued by TRAI from time to time.

(ii) TRAI gave its recommendations on 'Spectrum, Roaming and QoS Related Requirements in Machine-to-Machine (M2M) Communications' on September 5, 2017. It recommended that:

a. All access service providers, viz. CMTS, UASL, UL (AS) and UL holders using licensed access spectrum, shall be allowed to provide M2M connectivity within the area of their existing authorizations.

b. All Basic Services licensees and ISP licensees shall be allowed to provide M2M connectivity, including on unlicensed bands, within the area of their existing authorizations, barring M2M cellular services.

c. All UL (VNO) holders shall also accordingly be allowed to provide M2M connectivity as authorized in their existing authorizations.

d. Connectivity providers using WPAN/WLAN technologies for providing M2M connectivity for commercial purposes, operating in unlicensed spectrum, should register with DoT.

e. Connectivity providers using LPWAN technologies operating in unlicensed spectrum bands should be covered under licensing through a new authorization under UL-namely UL (M2M).

f. UL (M2M) authorization shall comprise of three categories-UL (M2M) Category-A National area, UL (M2M) Category-B Telecom Circle/Metro area and UL (M2M) Category-C SSA/District area.

g. The government, through DoT, should identify critical services in the M2M sector and these services should be mandated to be provided only by connectivity providers using licensed spectrum.

h. Since M2M is in its nascent stages and needs an integrated national approach on various issues, regulatory authorities whose sectors will get impacted by M2M communications-like TRAI, Central Drug Standards Control Organization, National Highways Authority of India, Inland Waterways Authority of India, Central Electricity Regulatory Commission, etc. and the Ministry of Law & Justice-should also be members in the M2M apex body formed by DoT.

(ii) In its recommendations on In-Flight Connectivity (IFC) dated January 18, 2018, the Authority recommends that both Internet and Mobile Communication on Aircraft (MCA) service should be permitted as In-Flight Connectivity (IFC) in Indian airspace. The Authority recommended that the Aircraft Earth Station (AES)/Earth Station in Motion (ESIM) should be in conformance with the relevant standards set by International standardization bodies such as, ITU, ETSI, etc. or set by International fora such as 3GPP, 3GPP-2 etc. as recognized by TEC and subject to modifications/adaptation, if any, as may be prescribed by Licensor/TEC from time to time.

(iii) On July 31, 2017, TRAI made recommendations on issues related to Closure of Access Service. As per the recommendations, the UAS licensee should be permitted to discontinue any of the services permitted under the scope of licence without the need to surrender the licence and therefore a clause to this effect should be inserted in the UAS License. If a UAS licensee decides to close down its wireless access services, which were being provided through the administratively assigned spectrum, for which it has not paid the market discovered price, it must surrender such spectrum immediately upon closure of wireless access services. Provisions in the UL/UASL/CMTS licence should be made, which mandates a licensee to give a prior information to Licensor and TRAI of at least 60 calendar days in advance in case of closure of access services through any technology in the entire LSA or a part of it. In such a case, it shall also be mandated to notify all its affected subscribers by sending a 30 calendar days' notice to each of them, clearly stating the options available to the subscribers, including that of the MNP facility.

(iv). TRAI recommended to revise the definition of MNP in the Mobile Number Portability (MNP) Service Licence and various telecom service licences, viz:

"Mobile Number Portability means the facility which allows subscribers to retain their existing telephone number when they switch from one access service provider to another access service provider."

Company Overview

Business Areas

Reliance Communications Limited (RCOM), together with its subsidiary Global Cloud Xchange Limited (GCX), is a leading global communications services provider with businesses including a vast global subsea network; a global on-net Cloud ecosystem; extensive India and global enterprise business; India Data Center Business (IDC) and India National Long Distance (NLD) business.

RCOM is an enterprise telecommunications service provider and is at the forefront of enabling digital revolution across India and globally, with a sharp focus on the Emerging Markets of Asia-Pacific and the Middle East. RCOM plans to continue to build on its global platform designed to power the future digital ecosystem. Based on one of the most extensive subsea and terrestrial fiber optic networks and a global services platform, RCOM is putting together the very fabric that will deliver the next generation of applications and services to Enterprises, Carriers, OTTs and Government Entities.

RCOM and GCX currently serve nearly 40,000 Indian and global corporations, including over 200 global, regional and domestic carriers. RCOM conducts a substantial portion of its business through subsidiary companies, including, GCX, Reliance Communications Infrastructure Limited (RCIL) and Reliance Infratel Limited (RITL).

India Operations

India Enterprise services

In India, RCOM provides wireline telecom services to the business and government segments. These include a comprehensive portfolio spanning Network Connectivity, Cloud Connectivity, Enterprise Voice, Cloud Telephony, Access Number Services and Wholesale Voice. The Company currently serves nearly 40,000 businesses and agencies of all sizes-from multinational conglomerates to SMEs-belonging to almost every vertical: BFSI, Manufacturing, Logistics, Healthcare, IT & ITeS, OTT and New Media, to name just a few.

Service portfolio expansion is a continuous process at RCOM. For this, we often turn to our 'collaborative innovation' model wherein we work with some of the world's leading technology providers as well as our customers. Some of the services launched in recent years include DDoS Shield (Cloud-based DDoS protection service), Branch Connect (India's first 4G Enterprise private connectivity solution), CLOUD X Fusion (private connectivity solution to Public Cloud platforms) and CLOUD X WAN (SD-WAN & NFV platform).

We believe that IP Voice will play a critical role in the 'digital journeys' of enterprises. In order to help enterprises in this journey, we are developing a suite of IP Voice services that could be deployed for a whole host of applications. We have already launched Reliance SIP Trunk-India's first and only Enterprise SIP Trunking service powered by the IP Multimedia Subsystem (IMS). We are the only telco in the country with a comprehensive bouquet of Cloud Telephony Services integrated with our Internet Data Centers.

When RCOM set up IDC in 2002, it virtually heralded the third-party data center business in India, setting the stage for world-class facilities within the country. Over the years, the Company has built infrastructure and expertise and is today a leading provider of data center services across key markets globally.

With nine world-class data centers spread across key business markets in India (Mumbai, Bengaluru, Chennai & Hyderabad), we are a now leading provider of data center services in the region to hundreds of enterprise customers, including many of India's marquee brands in the BFSI, FMCG, new media and e-commerce industry segments. These services cover Colocation, Shared IT Infrastructure and IT Managed Services. RCOM's data centers are an integral part of the company's pan-India, Next-Generation, high-capacity integrated, convergent and resilient digital network, which is capable of supporting best-in-class services spanning the entire communications value chain. This makes our data centers significantly more robust inherently than those that depend on other network providers' connectivity reaching out to their data centers. We also offer Cloud-based services such as storage for archival purposes and data protection, as also business application services such as CRM, ERP and HRMS to customers on a pay-per-use model.

Reliance Infratel Limited (Telecom Infrastructure Business)

RITL, a subsidiary of RCOM, is in the business of building, owning and operating telecommunication towers, optic fiber cable assets and related assets at designated sites, and to provide these passive telecommunication infrastructure assets on a shared basis to wireless service providers and other communications service providers under long-term contracts. These customers use the space on our telecommunications towers to install their active communication-related equipment to operate their wireless communications networks. Customers can also use our optic fiber network to connect the sites to the core network and for connectivity between telecom Circles.

Global Operations

Overview

Our global business comprises a complete portfolio of Wholesale and Enterprise Data Communications services offered through our global subsidiary Global Cloud Xchange (GCX), and Wholesale Voice and International calling services for retail customers.

The business is powered by our expansive global subsea network spanning more than 68,000 route km, with 46 landing stations in 27 countries. We connect major hubs in the fast-growing Emerging Markets of the Middle East and Asia (including India, Taiwan, Korea, Hong Kong, the UAE, Bahrain and Kuwait), which are driving data traffic growth to mature economies in Western Europe and North America, creating what we call the 'Emerging Markets Corridor'.

Our offerings include Infrastructure and Connectivity Solutions (dedicated end-to-end global connectivity solutions for enterprises, OTTs and network operators) and Managed Solutions. With connections to all key business markets worldwide spanning Asia, North America, Europe and the Middle East, our Managed Network Services platform connects more than 27,000 sites across 160 countries. Our global IP and Multi-Protocol Label Switching (MPLS) network has 836 direct inter-connections to 342 third-party networks. We are equipped to support businesses through the deployment of Next-Generation Enterprise solutions across our Cloud Delivery Networks.

We are currently building and enhancing our Cloud Solutions portfolio globally, with focus across key emerging markets. Our globally spread on-net Cloud X platform offers SD-WAN services, virtualized network functions, IAAS and PAAS and Cloud Orchestration services.

As part of wholesale offerings, we offer international (submarine cable) network bandwidth and spectrum on both an Indefeasible Right of Use ('IRU') and leased circuit basis, plus Internet bandwidth and IPLC to carriers, ISPs, content providers and enterprises globally.

We also provide Wholesale Voice services to Mobile Network Operators (MNOs), Fixed Network Operators (FNOs), Tier 1 Carriers, Calling Card Companies and Over-the-Top (OTT) players across the world. Using our global Next-Generation Network (NGN), multiple international Voice PoPs, and established relationships with Carriers across the globe, we help carry Voice to almost every possible destination on the planet.

Business Strategy

a. Network Infrastructure Enhancement

We will continue to enhance our network infrastructure and data center footprint across India and globally, in order to master the combination of Cloud Orchestration, Fiber Ubiquity and Low-Cost Global Access to competing computing resources. Doing so will establish our strategic building blocks as we continue to move towards becoming the technology infrastructure company of the next decade. Our infrastructure plan will focus on three key areas:

- **Data Center Centric Networks-** We will build low-cost, distributed, focused compute and diverse compute centers at strategic locations across key markets, with initial deployment in India.
- **High-Speed Trunking between Data Centers-** We will build scalable 100 Gig+ super-highways between every CBD based on the Forward Operating Center concept. In addition, we will establish ownership economics with glass-through capabilities across land and sea.
- **Commoditized Low-Cost Last Mile Access-**We will further deploy SD WAN, Branch Connect and low-cost UBRs and open FOCs to allow access to multiple last-mile providers. We will access carrier interconnect centers in every major market seamlessly.

b. Continue to Focus on Enhancing Products and Services Portfolio

We aim to continue to grow our revenue streams through the expansion of our portfolio of service offerings and specific sales and marketing initiatives aimed at increasing our Enterprise customer base across India and globally. Such efforts include focus on new products and enhancements of our solutions portfolio, including Cloud X WAN/Hybrid VPN, Next-Generation Enterprise Networking, Cloud X Fusion, Branch Connect, SIP Trunk and Ozone revamp.

c. Focus on Reduction of Operating Costs

In line with our growth, we also focus on cost management and margin expansion through various measures to reduce our operating costs and achieve cost optimization. We have entered into long-term outsourcing agreements with end-to-end network managed service providers aimed at reducing our costs, benefitting from economies of scale and delivering superior customer experience. We have entered into sharing agreements also to lower our regulatory cash outflows as well as future capex expansion needs.

New Initiatives and corporate partnerships

Products and services-related

a. We announced our 'Cloud and Fiber Initiative' across the World's fastest-growing economies.

In November, 2017, we announced the 'Cloud and Fiber Initiative'. Tapping on India's prime geographic location, this will deliver a strategic edge to businesses with high-speed transit from India West into Europe and India East into the exponentially growing markets across Asia-Pacific region.

b. Reliance Communications launched 'Branch Connect'- an Industry-first offering, powered by 4G LTE Network.

RCOM launched Reliance 'Branch Connect'-India's first 4G Enterprise Virtual Private Network (VPN) solution-designed to help businesses quickly extend their corporate network to sites virtually anywhere in the country. Reliance Branch Connect offers secure high-performance wireless connectivity in the last mile for Enterprises to quickly connect their sites (e.g., branch offices, warehouses, partner offices, etc.) to their corporate private network.

c. **Reliance Communications completed the building construction of one of the largest data centers in Asia.**

RCOM completed the building construction of its newest data center, IDC 5, a massive over-450,000-sq-ft hyper-scale facility at Dhirubhai Ambani Knowledge City, Navi Mumbai. Slated to be operational soon, this will be one of the largest Cloud and Content Hubs in the Asia-Pacific region, sitting at the heart of a robust global network.

d. **IP Centrex added to futuristic IP Voice portfolio**

RCOM's IP Voice portfolio is designed to help enterprises in their 'digital journeys'. The portfolio currently includes India's first and only Enterprise SIP Trunking service powered by the IP Multimedia Subsystem (IMS) and Cloud Telephony. IP Centrex- a feature-rich hosted IP telephony solution-is now ready for launch. As the leader in this domain, we will continue to focus on solutions that make IP Voice accessible to enterprises of all sizes for a wide variety of uses.

e. **Cloud X FUSION coverage expanded**

Through our CLOUD X Fusion offering, leading Cloud Service Providers (CSPs) like Amazon Web Services, Microsoft Azure, Softlayer and Google Cloud are connected directly to our global MPLS and Ethernet network on a global scale, putting them only an on-net network port away from our Enterprise customers. We extended our coverage with more interconnects in India as well as globally.

f. **RCOM and GCX deployed Global Software-Defined Wide Area Network (SD WAN) solution for enterprises**

RCOM and GCX deployed CLOUD X WAN-a global SD WAN Solution for Enterprises. Cloud X WAN, the latest addition to the CLOUD X portfolio, is a Cloud-centric network platform designed to help overcome many of the challenges facing today's global enterprise networks, offering an affordable solution which embraces flexibility, scalability and enhanced security. Cloud X WAN is an evolution of GCX's existing hybrid WAN service which already connects more than 20,000 locations to a global MPLS network via the Internet.

Customer Service-related

In 2017, GCX deployed dedicated 'Customer Advocacy Teams' (CAT), a new approach to more focused customer service in order to ensure complete support for larger enterprise customers. This comprises dedicated resources who are intimately familiar with the customer's services, with their time dedicated to the provision of these services.

Deep knowledge of the customer's services and design has helped resolve network incidents effectively, and GCX has also seen significant improvement in the efficiency of operational resources within CAT teams. The CAT initiative inspired a strong sense of ownership-developed by making engineers the focal point for customer-specific assignment. This program has also led to a material improvement in staff morale and engagement.

With the huge success of the Customer Advocacy Program, GCX is now extending the program to across RCOM's India Enterprise business to ensure we provide enhanced, dedicated support to key customers across the country.

Strategic Corporate Partnerships

a. **GCX and Alibaba Cloud joined forces to bolster global digital economy**

GCX entered into an agreement with Alibaba Cloud, the cloud computing arm of Alibaba Group, to provide direct access to Alibaba Cloud Express Connect via GCX's CLOUD X Fusion in Singapore, offering enterprise customers robust Cloud solutions to drive new business opportunities. In 2017, that partnership also extended to providing connectivity solutions to Alibaba Cloud on their India expansion initiatives. Through GCX's extensive global network and its comprehensive product portfolio, CLOUD X Fusion provides seamless, low-latency connectivity across developed and emerging markets in the US, Europe, the Middle East and Asia, which gives enterprises security, reliability and predictability as they connect to Alibaba Cloud services on a dynamic usage-based consumption model.

b. **GCX Partners with CMC Telecom to Boost Connectivity across South-East Asia**

GCX and CMC Telecom announced a dual strategic initiative, wherein GCX will offer its IP Transit solutions to CMC Telecom in Hong Kong and Singapore, while CMC Telecom will deploy a Virtual Point of Presence (vPoP) for GCX in Hanoi. This strategic arrangement enables GCX to expand its network reach in Indochina and leverage CMC Telecom's network to deliver low-latency and secure connectivity solutions for its customers. CMC Telecom, in turn, will get access to GCX's high-performance IP Transit global network.

c. **P&O Maritime and GCX Expand Partnership for Global Managed WAN services**

P&O Maritime, a fully-owned subsidiary of Dubai-based DP World, announced an expansion of its partnership with GCX by adding more sites to its expansive GCX-managed Global WAN, including Papua New Guinea followed by more locations throughout Europe and UAE in 2018. GCX delivers a fully managed end-to-end Hybrid Network Solution connecting many worldwide P&O Maritime sites; many of these are located in regions with a difficult telecommunications environment such as Mozambique, Argentina and Paraguay.

d. **GCX Partners with Sovereign Business Integration Group**

In June 2017, GCX announced a new partnership with data center provider Sovereign Business Integration Group (Sovereign) to offer enterprises global connectivity via a direct interconnection between Sovereign's Tier III standard data center facility in North London and the GCX Global Network. Enterprises looking to globalize their offerings can now co-locate and host their business-critical IT infrastructure smooth, fast and securely at Sovereign's ISO 27001-certified facility and benefit from simplified access to the GCX connectivity, Cloud and managed network services.

e. GCX and Safe Host Partner to Connect Swiss Enterprises Across Emerging Markets Corridor

GCX also announced a partnership with Safe Host, a leading data center colocation provider in Switzerland for direct access from its data centers in Switzerland to fast-growing digital markets across the Emerging Markets corridor through GCX's global network infrastructure. The partnership enables Swiss enterprises to tap business opportunities in the fast-growing emerging markets over our Global Network as well as leading Cloud providers via GCX CLOUD X platform.

Wireless industry update

Promotional free offers were launched in the Indian telecom industry in September, 2016. Within months, all operators were compelled to match these offers of a new entrant into the telecom sector. Each operator offered unlimited lifetime free voice and ultra-low data tariffs, which have continued till date. This saw key operating KPIs plummeting drastically across the board, over Q1 FY '17 to Q1 FY '18-voice tariffs dropped by around 30%, data tariffs by over 40% and ARPU by around 40%. This resulted in a sudden drop in sector revenues, reversing a decade of growth trends-from 10% CAGR to around a 15% year-on-year drop in FY '18.

The telecom sector was already burdened with very high debt owing to Capex for Spectrum and Network. Declining cash flows made it impossible for most operators to meet operational liabilities and service debt. Industry RoCE slipped from low single digits to negative. All operators reported losses and steep declines in financial performance. The RBI's circular of April 18, 2017 to banks, restraining lending to the telecom sector, further aggravated the situation.

Seven foreign and domestic operators exited the sector. Industry leaders also reported steep profitability decline. The Company also reported losses after 40 consecutive quarters of profitable operations.

Action taken by the Company

RCOM had anticipated the hyper-competitive industry scenario and began deleveraging and consolidation approximately two years ago:

- In October 2015, RCOM initiated a merger with SSTL to achieve a spectrum validity extension of 30 MHz in the valuable 800 MHz band by 12 years, thus avoiding future auction costs of approximately ₹ 12,000 crore.
- In addition, RCOM entered into agreement with Aircel for a merger to potentially reduce RCOM's debt by ₹ 14,000 crore and achieve operational synergies over ten years.
- In 2015, in parallel, RCOM entered into a deal to sell its tower assets for debt reduction of ₹ 11,000 crores, with a future economic upside from its remaining 49% stake.

The transaction for merger of wireless business of the Company and subsidiaries with Aircel and tower sale could not be completed within the specified time-lines due to uncertainty in regulatory approvals and various objections filed at the National Company Law Tribunal (NCLT). The Company withdrew the Scheme of Arrangements filed with NCLT in October, 2017.

Strategic corporate transactions

a. RCOM's acquisition of SSTL-the first consolidation in the Indian telecom sector

The Board of Directors of the Company, at its meeting held on October 31, 2017, took on record the demerger of Sistema Shyam Teleservices Ltd's (SSTL) telecom business in India and approved the issuance of equity shares to the tune of 10% of the equity shareholding of the Company to SSTL, as part of the agreement between the two companies. Under the terms of the agreement between RCOM and SSTL, RCOM acquired the Indian telecommunications business of SSTL including its licenses. In addition, RCOM acquired 30 MHz of the most valuable and superior 800 / 850 MHz band spectrum, ideally suited for 4G LTE services and other evolving technologies, to complement its own unique nationwide footprint. This has resulted in an extension of the validity of RCOM's spectrum portfolio in the 800 / 850 MHz band in eight important Circles (Delhi, Gujarat, Tamil Nadu, Karnataka, Kerala, Kolkata, UP-West and West Bengal) by a period of 12 years-from year 2021 to 2033.

b. Debt Restructuring and Asset Monetization Plans

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

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

Proceeds of asset monetization of ₹ 18,100 crore will be used to repay debt and reduce liabilities.

The Company faced various legal hurdles from Operational Creditor and Minority Investors of Reliance Infratel Limited in NCLT, NCLAT and Supreme Court. In May, 2018, Company signed consent terms with Minority Investors of RITL and Operational Creditor in order remove the legal hurdles which had delayed the asset monetization plans.

On May 30, 2018, the Hon'ble National Company Law Appellate Tribunal (NCLAT) allowed RCOM's asset sale plans to proceed. The asset sale includes spectrum, fiber, telecom towers, MCNs and certain real estate assets in Delhi and Chennai.

RCOM expects to complete the sale of its assets by last quarter of 2018, having removed all legal hurdles, thereby achieving an overall debt reduction of approximately ₹ 18,100 crore from the first phase of its asset monetization program.

Awards and Recognitions

a. **Datacloud Asia Awards 2018-GCX** won the 'Excellence in Data Center Services Award, South East Asia' at the prestigious Datacloud Asia Awards 2018. In addition, GCX CEO William Barney was honored with the 'Data Center Thought Leadership Award' in recognition of his significant contributions to the Data Center industry.

b. **Times Ascent Awards 2018-**RCOM and GCX received top honors in the 'Institution Building Category' at the 'Times Ascent Dream Companies to Work For 2018 Awards' at the World HRD Congress event. GCX CEO Bill Barney was also honored in the 'CEO with HR Orientation' category, along with Gina Haspilaire, Chief Human Resources Officer, GCX & RCOM, who was presented with the 'Femina Exemplary Leadership Award'.

c. **Frost & Sullivan Awards 2017-**RCOM's Enterprise Business was honored with Frost & Sullivan's 'India Digital Transformation Award 2017' for its pioneering SIP Trunking service in the 'New Products and Services' category.

d. **Capacity Media Global Carrier Awards 2017-**GCX won the 'Best Asian Wholesale Carrier' Award at the global awards event held during the Capacity Europe event.

e. **Datacloud Awards 2017-**GCX won two prestigious awards, 'Excellence in Connectivity for Data Centers' and 'Excellence in Cloud Services', at the Datacloud Awards during the Datacloud Europe 2017 Conference in Monaco.

Strengths, Challenges, Opportunity, Risks Analysis (SCOR Analysis)

Industry wide:

Strengths & Opportunities

Business Environment

- Indian economy forecasted to grow at a healthy pace in FY '19, powered by various policy initiatives of the Government of India
- Improvement in ease of doing business, as reflected in World Bank report
- Record inflows in Foreign Direct Investment (FDI) in FY '18

Digital India Initiatives

- Government initiatives to improve broadband connectivity
- Incentives to telecom equipment in India under the 'Make in India' initiative

Enterprise telecommunication has growth potential

- Increase in demand for connectivity in the country as companies move deeper into the hinterland
- Robust demand for international connectivity-Indian companies expanding outside India and International companies increasing their investment in India
- Acceleration in Public Cloud adoption-With enterprises adopting Public Cloud, there is an opportunity in providing secure & reliable connectivity to the Public Cloud

Challenges & Risks

Increase In Capital Investments

- Increase in demand, coupled with technology advancements like Internet of Things (IoT), Public Cloud, Software Defined Wide Area Networks (SD-WAN) would mean greater investment in augmenting capacities and in new technologies

Pressure on Tariffs

- Data tariffs continue to decline, but are partly offset by increase in bandwidth consumption

Cost Pressure

- Increase in Interest rates, fuel prices & fluctuations in foreign exchange rate could impact the bottom-line

Specific to Reliance Communications

Strengths & Opportunities

Comprehensive domestic and international digital network & infrastructure

- Pan-India fiber network
- Subsea and terrestrial connectivity to major telecommunications hubs
- Data Center presence across multiple regions in India

Ample spectrum portfolio with long validity

- Sub-1 GHz spectrum portfolio suitable for offering better 4G services
- Limited spectrum portfolio coming up for renewal in the short term-low future regulatory related cash outflows

Significant growth opportunity in B2B wireline business

- With enterprises in India & globally embarking on digital transformation, there is robust growth in bandwidth demand. The wireline business is well placed to leverage these growth opportunities

Diversified Customer Base

- Diversified customer base, including telecommunications carriers, large multinational enterprises and media companies

Challenges & Risks

Financial Leverage:

- Increased financial leverage constrains capital spending for growth- focused plans for Deleveraging & Asset Monetisation in place

Dependence on partners and other telecom operators

- By entering into sharing and trading agreements with RJio, parts of RCOM services will be dependent on RJio's network. Strong SLA in place to mitigate risk.

Delay in proposed strategic transactions

- Any delay in the proposed transactions might negatively affect the company's business plan

Financial Performance - Overview

The Company's standalone financial performance is disclosed under the head 'Financial Performance' in the Directors' Report. The consolidated performance of the Company is given below:

Revenues and operating expenses

On a consolidated basis, the Company earned total revenues of ₹ 4,684 crore (US $719 million). The net loss after tax recorded by the Company was ₹ 24 crore (US $4 million). Total operating expenditure stood at ₹ 3,785 crore (US $581 million).

Operating profit before finance charges, depreciation and amortisation, exceptional items and provision against fixed assets (EBITDA)

The Company earned EBITDA of ₹ 899 crore (US $138 million). The EBITDA margin for the year was 19.20 per cent.

Depreciation and amortization

The Depreciation and Amortization charges were ₹ 721 crore (US $111 million).

Loss before / after tax

The loss before tax was ₹ 8 crore (US $1.2 million). Tax was to the tune of ₹ 16 crore (US $2.4 million). The Loss after tax was ₹ 24 crore (US $4 million).

Balance Sheet

As on March 31, 2018, the Company had total assets of ₹ 74,578 crore (US $11,443 million). Stakeholders' equity was ₹ 2,783 crore (US $427 million), while net debt (excluding cash and cash equivalents) was ₹ 46,470 crore (US $7,130 million), giving a net debt to equity ratio of 16.70 times.

Segment-wise Review

1. India Operations

Overview

RCOM's 'India Operations' segment comprises the following businesses-voice, long-distance services and broadband access to enterprise customers; and managed Internet data centre services. Additionally, our company Reliance Tech Services Limited (RTS) is a complete end-to-end IT and Technology solutions provider to RCOM Business units through delivery and operational excellence.

Revenues and Profit

The revenues for the financial year ended March 31, 2018 were ₹ 2,534 crore (US $389 million). The EBITDA during the same period was ₹ 286 crore (US $44 million), while the EBIT (Earnings before Interest and Tax) was ₹ 220 crore (US $34 million).

2. Global Operations

Overview

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 voice, carrier bandwidth, enterprise data and consumer voice services.

Revenues and Profit

The Revenues for the financial year ended March 31, 2018 in this segment were ₹ 2,933 crore (US $450 million). While the EBITDA was ₹ 613 crore (US $94 million), the EBIT loss was ₹ 42 crore (US $6 million).

Strategic Business Units

1. **Reliance Communications Infrastructure Limited (RCIL)**

RCIL, a wholly-owned subsidiary of the Company, offers Passive Infrastructure and Other services.

Revenues and Operating Expenses

RCIL earned total revenues of ₹ 250 crore (US $38 million) during the year, compared to ₹ 1,432 crore (US $221 million) for the previous year. RCIL incurred total operating expenses of ₹ 285 crore (US $44 million), compared to ₹ 574 crore (US $89 million) in the previous year.

Net Profit / (Loss)

The net loss after tax recorded by RCIL was ₹ 1,542 crore (US $ 237 million), compared to loss of ₹ 17 crore (US $3 million) in the previous year.

Balance Sheet

As on March 31, 2018, RCIL had total assets (net) of ₹ 6,574 crore (US $1,009 million) and shareholders' fund negative amounting to ₹ 174 crore (US $27 million).

2. **Reliance Telecom Limited (RTL)**

RTL, a wholly-owned subsidiary of the Company, offered GSM services in Madhya Pradesh, West Bengal, Himachal Pradesh, Odisha, Bihar, Assam, Kolkata and North East service areas till November, 2017.

Charge-sheet filed by CBI in 2G matter

As reported in Annual Report, consequent to the investigations by an investigative agency (CBI) in relation to the entire telecom sector in India, certain preliminary charges were framed by a trial court in October, 2011 against the Company and three executives of the Group. The Special CBI Judge, vide his judgment dated December 21, 2017 acquitted the persons so named. CBI has filed an appeal before the Hon'ble Delhi High Court challenging the said trial court order.

Accordingly, these proceedings have no impact on the business, operations, and/or licenses of RTL and RCOM and are not connected in any manner to any other group companies.

Revenues and Operating Expenses

RTL earned total revenues of ₹ 680 crore (US $104 million) during the year, compared to ₹ 1,789 crore (US $276 million) in the previous year. RTL incurred total operating expenses of ₹ 901 crore (US $138 million), compared to ₹ 1,862 crore (US $287 million) in the previous year.

Net Profit / (Loss)

The net loss after tax recorded by RTL was ₹ 4,461 crore (US $ 684 million), compared to net loss of ₹ 991 crore (US $153 million) in the previous year.

Balance Sheet

As on March 31, 2018, RTL had total assets of ₹ 3,853 crore (US $591 million) and shareholders' fund negative amounting to ₹ 6,445 crore (US $989 million).

3. **Reliance Infratel Limited (RITL)**

RITL, subsidiary of the Company, is in the business of telecom Infrastructure.

Revenues and Operating Expenses

RITL earned total revenues of ₹ 3,432 crore (US $527 million) during the year, compared to ₹ 6,091 crore (US $939 million) in the previous year. The Company incurred total operating expenses of ₹ 2,790 crore (US $428 million), compared to ₹ 2,849 crore (US $439 million) in the previous year.

Net Profit / (Loss)

The net loss after tax recorded by RITL was ₹ 714 crore (US $110 million), compared to loss of ₹ 553 crore (US $85 million) in the previous year.

Balance Sheet

As on March 31, 2018, RITL had total assets of ₹ 12,871 crore (US $1,975 million). Shareholders' fund was ₹ 1,352 crore (US $207 million).

4. **Global Cloud Xchange (GCX)**

Revenues and Operating Expenses

GCX earned total revenues of ₹ 2,457 crore (US $377 million) during the year. The Company incurred total operating expenses of ₹ 1,678 crore (US $257 million).

Net Profit

The net profit after tax recorded by GCX was ₹ 26 crore (US $ 4 million).

Balance Sheet

As on March 31, 2018, GCX had total assets of ₹ 8,752 crore (US $1,343 million) Shareholders' fund was ₹ 1,361 crore (US $209 million).

Adequacy of Internal Control and Systems

The Company has enhanced its systems of internal controls aimed at achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws. The internal control mechanism comprises of a well-defined organizational structure, documented policy guidelines, pre-determined authority levels and processes commensurate with the level of responsibility. The Management Audit Team undertakes extensive checks, process reviews and also conducts internal audits at locations / NSHQ through external firms of Chartered Accountants, who provide independent and professional observations. The Audit Committee of the Board reviews major findings in the internal audit reports as well as the adequacy of internal controls.

Risk Management Framework

The Company has instituted a self governed Risk Management framework based on identification of potential risk areas, evaluation of risk intensity, and clear-cut risk mitigation policies, plans and procedures both at the enterprise and operating levels. The framework seeks to facilitate a common organizational understanding of the exposure to various risks and uncertainties at an early stage, followed by timely and effective mitigation. The Audit Committee of the Board reviews the risk management framework at periodic intervals.

Corporate Governance

The Company's 'Code of Conduct' policy which has set out the systems, process and policies conforming to international standards are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors both local and global and all other stakeholders. We maintained the highest standards of corporate governance principles and best practices.

H. Human Resource and Employees Relations

During the year under review, the Company focused on strengthening Talent Management, Organizational Efficiency and Capability Development. Various communication channels including Open House and formal Round Table conversations anchored by the Leadership team was conducted during the year. Employees were provided various classroom sessions on case study based Sales training, CRM training, Functional training and Technical training conducted throughout the year across various locations.

A company xwide Job Banding exercise was conducted to update the company's competitiveness for acquiring top talent while aligning the company to its peer. This also allowed us to rationalize the roles within the organization and set the foundation for a comprehensive career progression framework. The role rationalization was from an industry benchmarking standpoint thereby aligning our compensation framework to two tracks-Managerial and Professional.

Performance Management focuses on identification of Top Talent and is an annual exercise. In addition to the annual online appraisal, this year a robust process of Quarterly feedback was instituted with a view to enable more frequent manager-employee conversations and better monitor performance. Trainings on enabling managers to provide more Effective Feedback as well as Performance Improvement Plans were conducted. Special incentives schemes to drive sales were also instituted.

It has also been the Company's endeavor to ensure that the policies, processes and procedures are more transparent, employee friendly and relevant in line with the best of industry practices.

I. Corporate Social Responsibility

At RCOM, CSR is inculcated well within the culture of the Company and continuous efforts were taken to strengthen its social initiatives each year to make the programs more sustainable and support the community at large. The Company promoted programs which focus on education and healthcare initiatives. The Company also encouraged active employee volunteering wherein enthusiastic volunteers contributed their time in sustaining the CSR interventions.

In FY 2017-18, RCOM has undertaken the following CSR programs, in association with local administrative authorities, academic institutions, government hospitals and NGO's.

a. Volunteering Initiative for Developing Young Aptitude (VIDYA)

Project VIDYA, is an educational program initiated by RCOM with a mission to create a platform to support effective learning and improve the literacy levels in the community. Focused on establishing a learning environment for developing reading skills and literacy skills in primary and secondary school children. In 2017-18, with the support of employee volunteers the project focused on mentoring and tutoring of the municipal school children in the state of Maharashtra. In addition, several sessions on art, craft and culture were taken to focus on the holistic development of the students.

b. Blood Donation Campaign

Reliance being a responsible corporate has been organizing blood donation campaigns across the country for past many years. The focus is on encouraging employees for voluntary blood donation and by creating a voluntary donor base to support the community. The camps are conducted on a biannual basis organized in partnership with the government hospitals to reach out to the people from underserved communities. In the year 2017-18, RCOM organized blood donation campaigns at 15 locations across RCOM offices collecting more than 600 units of blood.

c. Employee Volunteering Day

'Employee Volunteering Day' was observed in February 2018, to acknowledge and honor the contributions by the employees towards the CSR initiatives undertaken by the organization. For the financial year 2017-18, around 32 volunteers participated in the CSR activities that were conducted during the year. RCOM has always dedicated substantially towards scaling up the social programs being undertaken and made efforts to make them more sustainable to support the underprivileged communities.

Corporate governance philosophy

Reliance Communications follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance Practices and Policies

The Company has formulated number of policies and introduced several governance practices as follows to comply with the applicable statutory and regulatory requirements, with most of them introduced long before they were made mandatory.

A. Values and commitments

We have set out and adopted a policy document on 'values and commitments' of Reliance Communications. We believe that any business conduct can be ethical only when it rests on the nine core values viz; honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of ethics

Our policy document on 'code of ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, insider information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

D. Separation of the Board's supervisory role from the executive management

In line with the best global practices, we have adopted the policy of separating the Board's supervisory role from the executive management. We have also split the posts of Chairman and CEO.

E. Prohibition of insider trading policy

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

G. Whistle blower policy/vigil mechanism

Our Whistle Blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

It is affirmed that no personnel has been denied access to the Audit Committee.

H. Environment

The Company is committed to achieve excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day to day business affairs.

b. Board charter

The Board of Directors has adopted a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board committees etc.

c. Board committees

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Board constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, ESOS Compensation Committee, Corporate Social Responsibility Committee Risk Management Committee, Executive Committee of Directors, Business Restructuring Committee and SDR Committee of Directors. The Board rotates the Chairman of these Committees periodically.

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

e. Tenure of independent directors

Tenure of Independent Directors on the Board of the Company shall not exceed the time period as per provisions of the Companies Act, 2013 and Listing Regulations amended from time to time.

f. Independent Director's interaction with stakeholders

Member(s) of Stakeholders Relationship Committee interact with the stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

g. Familiarisation of Board Members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws.

The details of program for familiarisation of independent directors is put up on the website of the Company at the link http://www.rcom.co.in/Rcom/aboutus/ir/pdf/Directors_familiarisation.pdf

h. Meeting of Independent Directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as, operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

i. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its committees.

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in the conduct of affairs of the Company and to ensure compliance with applicable statutory requirements and Secretarial Standards to provide guidance to directors and to facilitate to convening of meetings and is the interface between the management and regulatory authorities for governance matters. All the directors of the Company have access to the advice and services of the Company Secretary.

L. Independent Statutory Auditors

The Company's financial statements are audited by M/s. Pathak H. D. & Associates, Chartered Accountants, an independent audit firm.

M. Compliance with the code and rules of Luxembourg Stock Exchange

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange (LSE) and 6.5 percent Senior Secured Notes due 2020 are listed on the Singapore Stock Exchange (SGX). The Company has reviewed the code on corporate governance of LSE and SGX and the Company's corporate governance practices conform to these codes and rules.

N. Compliance with the Listing Regulations

The Company is fully compliant with the Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

Corporate Governance Report

We present our report on compliance of governance conditions specified in Listing Regulations:

I. Board of Directors

1. Board composition – Board strength and representation

As on March 31, 2018, the Board consisted of eleven Directors. The composition and category of directors on the Board of the Company were as under:

Category	Name of directors	DIN
Promoter, Non-Executive and Non-Independent Director	Shri Anil D. Ambani, Chairman	00004878
Independent Directors	Prof. J. Ramachandran	00004593
	Shri Deepak Shourie	00101610
	Shri A. K. Purwar	00026383
	Shri R. N. Bhardwaj	01571764
	Smt. Ryna Karani #	00116930
	Smt. Chhaya Virani #	06953556
Non-Executive Non-Independent Director	Smt. Manjari Kacker	06945359
	Shri Suresh Rangachar #	00020887
Executive Director	Shri Punit Garg @	00004407
Director and CFO	Shri Manikantan V.@	03338690

@ Appointed with effect from October 2, 2017

Appointed with effect from November 11, 2017

Notes:

a. None of the directors are related to any other director.

b. None of the directors has any business relationship with the Company.

c. None of the directors has received any loans and advances from the Company during the year.

All the independent directors of the Company have furnished a declaration at the time of their appointment and also confirm annually that they qualify the conditions of being independent as provided under the law. All such declarations were placed before the Board.

2. Conduct of Board proceedings

The day to day business is conducted by the executives and the business heads of the Company under the direction of the Board led by the Chairman. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders.

e. Ensuring a transparent board nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation framework.

3. Board meetings

The Board held nine meetings during financial year 2017-18 on May 27, 2017, August 12, 2017, September 16, 2017, October 1, 2017, October 2, 2017, October 31, 2017, November 11, 2017, December 26, 2017 and January 29, 2018. The maximum time gap between any two meetings was 76 days and the minimum gap was 1 day. The meetings are normally held at Mumbai. The Board periodically reviews compliance reports of all laws applicable to the Company.

4. Secretarial Standards issued by ICSI

Pursuant to the provisions of Section 118(10) of the Companies Act, 2013, compliance with secretarial standards relating to General Meeting, Board Meeting and Dividend specified by the Institute of Company Secretaries of India (ICSI) as approved by the Central Government is mandatory effective from July 1, 2015. The Company is adhering to the standards issued by the ICSI.

5. Attendance of directors

Attendance of directors at the Board meetings held during financial year 2017-18 and the last Annual General Meeting held on September 26, 2017 and the details of directorships (calculated as per provisions of Section 165 of the Act), Committee Chairmanships and the Committee memberships held by the directors as on March 31, 2018 were as under:

Name of the Director	Number of Board meetings attended out of nine meetings held	Attendance at the last AGM held on September 26, 2017	Number of directorship (including RCOM)	Committee(s) membership (including RCOM)	
				Membership	Chairmanship
Shri Anil D. Ambani	8	Present	14	-	-
Prof. J. Ramachandran	6	Present	8	7	3
Shri Deepak Shourie	3	Present	1	2	-
Shri A. K. Purwar	8	Present	11	6	4
Shri R. N. Bhardwaj	9	Present	13	9	3
Smt. Manjari Kacker	9	Present	6	3	-
Shri Punit Garg *	4	-	3	2	-
Shri Manikantan V. *	4	-	2	2	-
Smt. Chhaya Virani #	2	-	5	7	-
Smt. Ryna Karani #	1	-	9	8	1
Shri Suresh Rangachar #	1	-	5	2	-

* appointed w.e.f. October 2, 2017.

appointed w.e.f. November 11, 2017.

Notes:

a. None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.

b. None of the directors hold membership of more than 10 committees of board, nor, is a Chairman of more than 5 committees of board.

c. None of the Independent Director holds the position of the Independent Director in more than seven listed companies as required under Listing Regulations.

d. The information provided above pertains to the following committees in accordance with the provisions of Listing Regulations: (i) Audit Committee, and (ii) Stakeholders Relationship Committee.

e. The Committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.

f. Membership of Committees includes chairmanship, if any.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non Independent Directors and Management Personnel. One separate meeting of Independent Directors was held during the year.

6. Details of directors

The abbreviated resumes of all Directors are furnished hereunder:

Shri Anil D. Ambani, 59 years, B.Sc. Hons. and MBA from the Wharton School of the University of Pennsylvania, is the Chairman of the Company, Reliance Capital Limited, Reliance Infrastructure Limited, Reliance Power Limited and Reliance Naval and Engineering Limited.

As on March 31, 2018, Shri Anil D. Ambani held 18,59,171 equity shares of the Company.

Prof. J. Ramachandran, 61 years, is a Professor of Corporate Strategy and Policy at the Indian Institute of Management, Bengaluru. He is a Chartered Accountant and Cost Accountant and is a fellow of the Indian Institute of Management, Ahmedabad. His teaching cases have been recognised with the Best Case Awards from the European Foundation for Management Development, The Association of Management Development Institutions in South Asia, The Central and East European Management Development Association, and The Association of Indian Management Schools; and the Tata Steel IIMB award. Professor Ramachandran is the first Bain Fellow in India.

He is also a Director of Reliance Infratel Limited, Sasken Technologies Limited, Redington (India) Limited, All Cargo Logistics Limited and Polaris Consulting and Services Limited.

Prof. Ramachandran is a member of Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, CSR Committee, ESOS Compensation Committee and Audit Committee of the Company. He is a Chairman of the Audit Committee and Stakeholders Relationship Committee of Redington (India) Limited and Chairman of Stakeholders Relationship Committee of Sasken Technologies Limited. He is also a member of Audit Committee of Reliance Infratel Limited and Sasken Technologies Limited. He is a member of Nomination and Remuneration Committee of Reliance Infratel Limited and Redington (India) Limited and Chairman in Polaris Consulting and Services Limited and Sasken Technologies Limited. He is also member of CSR Committee of Reliance Infratel Limited.

He does not hold any share in the Company as on March 31, 2018.

Shri Deepak Shourie, 69 years, holds a bachelor's degree in Economics and has more than four decades of experience in general management with an emphasis on media, consumer goods and corporate affairs. He was an Executive Vice President and Managing Director of Discovery Communications of India and director in South Asia for BBC Worldwide Media Private Limited.

Shri Shourie is a member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and CSR Committee and the Chairman of ESOS Compensation Committee of the Company.

He does not hold any share in the Company as on March 31, 2018.

Shri A. K. Purwar, 72 years, was the former Chairman of the State Bank of India ("SBI") and also the former Managing Director of the State Bank of Patiala. He holds a master's degree in Commerce and a diploma in Business Administration. Shri Purwar has served on the Board of Governors of the Indian Institute of Management, Lucknow, XLRI Jamshedpur and as a member of the Advisory Board for the Institute of Indian Economic Studies, Waseda University, Tokyo, Japan.

Shri Purwar is also a Director in Jindal Steel and Power Limited, Apollo Tyres Limited, IIFL Holdings Limited, IL&FS Renewable Energy Limited, ONGC Tripura Power Company Limited, Alkem Laboratories Limited, Saurya Urja Company of Rajasthan Limited and Balaji Telefilms Limited.

He is the Chairman of Stakeholders Relationship Committee and Risk Management Committee and member of the Audit Committee, Nomination and Remuneration Committee CSR Committee and ESOS Compensation Committee of the Company. He is also a Chairman of Audit Committee in ONGC Tripura Company Limited and Surya Urja Company of Rajasthan Limited and member in Jindal Steel and Power Limited. He is Chairman of Nomination and Remuneration Committee in Alkem Laboratories Limited and member in Jindal Steel and Power Limited, IIFL Holdings Limited and Surya Urja Company of Rajasthan Limited. He is also a member of Risk Management Committee in IIFL Holdings Limited.

He does not hold any share in the Company as on March 31, 2018.

Shri R. N. Bhardwaj, 73 years, holds a master's degree in Economics from the Delhi School of Economics and a diploma in Industrial Relations and Personnel Management from the Punjabi University, Patiala. He has over 39 years of experience in various sectors such as economics, finance, investment and portfolio management. He was the Managing Director and Chairman of Life Insurance Corporation of India. Shri R. N. Bhardwaj has also served as a member of the Securities Appellate Tribunal.

Shri Bhardwaj is also a Director in Reliance Naval and Engineering Limited, Jaiprakash Associates Limited, Jaiprakash Power Ventures Limited, Sastasundar Ventures Limited, Milestone Capital Advisors Limited, Arihant Superstructure Limited and SBI Life Insurance Company Limited.

Shri Bhardwaj is a Chairman of the Audit Committee and Nomination and Remuneration Committee and a member of the Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and ESOS Compensation Committee of the Company. He is a Chairman of the CSR Committee and Stakeholders Relationship Committee of SBI Life Insurance Company Limited, Chairman of Shareholders/ Investors Grievance Committee of Sastasundar Ventures Limited and member of Audit Committee of Sastasundar Ventures Limited, Jaiprakash Powers Ventures Limited, Milestone Capital Advisors Limited and SBI Life Insurance Company Limited as well member of Risk Management Committee and Nomination and Remuneration Committee of SBI Life Insurance Company Limited. He is also a member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of Arihant Superstructures Limited.

He does not hold any share in the Company as on March 31, 2018.

Smt. Manjari Kacker, 65 years, holds a master's degree in Chemistry and a diploma in Business Administration. She has more than 39 years of experience in taxation, finance, administration and vigilance. She was in the Indian Revenue Service batch of 1974. She held various assignments during her tenure in the tax department and was also a member of the Central Board of Direct Taxes. She has also served as the Functional Director (Vigilance and Security) in Air India and has also represented India in international conferences.

Smt. Manjari Kacker is also a Director in Indiabulls Housing Finance Limited, Shubhalakshmi Polyesters Limited and Hindustan Gum and Chemicals Limited.

Smt. Manjari Kacker is Chairperson of CSR Committee and member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, ESOS Compensation Committee and Risk Management Committee of the Company. She is also a Member of the Audit Committee of Shubhalakshmi Polysters Limited.

She does not hold any share in the Company as on March 31, 2018.

Shri Punit Garg, 53 years, holds B.E. is part of the Company's leadership team since last 17 years. He has held several positions in the Company, including CEO of Indian and Global Enterprise Business, Corporate Strategy and Regulatory Affairs of the Company. Shri Garg has rich experience of over 32 years in telecom and IT sectors. He was President, Telecom Business of the Company and elevated to the Board as Executive Director of the Company.

Shri Garg is a Director in Reliance Digital World Limited.

Shri Garg is a member of the Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company.

He is holding one equity share of the Company as on March 31, 2018.

Shri Manikantan V., 52 years, Chartered Accountant, has been with the Company since last 22 years and has held several senior positions in the Company. He was the Chief Financial Officer (CFO) of the Company and elevated to the Board as Director and CFO of the Company.

Shri Manikantan is a Director in Globalcom Mobile Commerce Limited.

Shri Manikantan is a member of the Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company.

He does not hold any share in the Company as on March 31, 2018.

Smt. Chhaya Virani, aged 63 years, holds bachelors' degree in Arts and Legislative Laws and is lawyer by profession and partner in M/s. ALMT, Legal Advocates and Solicitors. Smt. Chhaya Virani is specialised in property matters and her major area of practice is related to conveyance and property transaction.

Smt. Virani is also a Director in Reliance Capital Limited, Reliance Infratel Limited, Reliance General Insurance Company Limited and Reliance Capital Pension Fund Limited.

Smt Virani is a member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company. She is also a member of Audit Committee of Reliance Capital Limited, Reliance Infratel Limited, Reliance General Insurance Company Limited and Reliance Capital Pension Fund Limited and member of Stakeholders Relationship Committee of Reliance Capital Limited. She is also a member of Risk Management Committee of Reliance Capital Limited and Reliance Capital Pension Fund Limited. She is also a member of Nomination and Remuneration Committee of Reliance Infratel Limited and Reliance Capital Pension Fund Limited. She is also a member of CSR Committee of Reliance Infratel Limited.

She does not hold any share in the Company as on March 31, 2018.

Smt. Ryna Karani aged 50 years, holds BA, LLB degree and lawyer by profession. She has been practicing as a lawyer since 1994 and enrolled as Advocate with the Bar Council of Maharashtra and Goa. Her practice includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions.

Smt. Karani is also a Director in Ineos Styrolution India Limited, Reliance Naval And Engineering Limited, Prime Urban Development India Limited, Reliance Infrastructure Limited, BSES Yamuna Power Limited and BSES Rajdhani Power Limited

Smt. Karani is a member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee, CSR Committee and ESOS Compensation Committee of the Company. She is Chairperson of CSR Committee in Reliance Infrastructure Limited and Audit Committee of BSES Yamuna Power Limited. She is also a member of Audit Committee of Reliance Infrastructure Limited, Reliance Naval and Engineering Limited, BSES Rajdhani Power Limited and Ineos Styrolution India Limited. She is member of Risk Management Committee, CSR Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of Reliance Naval and Engineering Limited. She is also a member of Risk Management Committee, ESOP Compensation Committee of Reliance Infrastructure Limited and member of Nomination and Remuneration Committee of Ineos Styrolution India Limited.

She does not hold any share in the Company as on March 31, 2018.

Shri Suresh Rangachar aged 54 years, holds Master's degree in Computer Science. He is with the Company since last 17 years. Presently, he is also working as the Executive Director of Reliance Infratel Limited (RITL), a subsidiary of the Company and elevated as the Non Executive Non Independent Director on the Board of the Company.

Shri Rangachar is also a Director in Globalcom Mobile Commerce Limited and Reliance Communications Infrastructure Limited.

Shri Rangachar is a member of the Risk Management Committee of the Company. He is also a member of the Audit Committee of Reliance Communications Infrastructure Limited and Reliance Infratel Limited and member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Reliance Infratel Limited.

He does not hold any share in the Company as on March 31, 2018.

7. Insurance coverage

The Company has obtained Directors and Officers liability insurance coverage in respect of any legal action that might be initiated against directors/officers of the Company and its subsidiary companies.

II. Audit Committee

The Company has an Audit Committee. The composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations and other applicable laws. The Audit Committee presently comprises of Shri R. N. Bhardwaj, Chairman, Prof. J. Ramachandran, Shri A. K. Purwar, Shri Deepak Shourie, Smt. Ryna Karani, Smt. Chhaya Virani all Independent Directors and Shri Punit Garg, Shri Manikantan V and Smt. Manjari Kacker Directors as members. All the members of the Committee possess financial / accounting expertise / exposure.

The Audit Committee, inter-alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference, inter-alia, comprises the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
9. Review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term 'related party transactions' shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

The Audit Committee is also authorised to:

1. Investigate any activity within its terms of reference;
2. Seek any information from any employee;
3. Obtain outside legal or other professional advice;
4. Secure attendance of outsiders with relevant expertise, if it considers necessary;
5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the listing regulations.
   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the listing regulations.

Attendance at the meetings of the Audit Committee held during 2017-18.

The Audit Committee held its meetings on May 27, 2017, August 12, 2017, November 11, 2017 and January 29, 2018. The maximum time gap between any two meetings was 90 days and the minimum gap was 76 days.

Name of the Members	Number of Meetings	
	held during the tenure	attended
Prof. J. Ramachandran	4	4
Shri A. K. Purwar	4	4
Shri Deepak Shourie	4	1
Shri R. N. Bhardwaj	4	4
Smt. Manjari Kacker	4	4
Shri Punit Garg*	2	1
Shri Manikantan V*	2	2
Smt. Ryna Karani@	1	0
Smt. Chhaya Virani@	1	1

* appointed w.e.f. October 2, 2017.
@ appointed w.e.f. November 11, 2017.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The audit committee considered all the points in terms of its reference at periodic intervals.

Shri Prakash Shenoy, Company Secretary acts as the Secretary to the Audit Committee.

During the year, the Audit Committee discussed with the Company's Auditors the overall scope and plans for the independent audit. The Management represented to the Committee that the Company's financial statements were prepared in accordance with prevailing laws and regulations. The Committee discussed the Company's audited financial statement, the rationality of significant judgments and the clarity of disclosures in the financial statements. Based on the review and discussions conducted with the Management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the internal and the statutory auditors.

The Company has appointed Cost Auditors pursuant to Section 148 of the Companies Act, 2013. Further the Cost Auditors attends the audit committee meeting wherein cost audit reports are placed and discussed.

III. Nomination and Remuneration Committee

The Company has an Nomination and Remuneration Committee. The composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations. The Committee comprises of seven directors, viz; Shri R. N. Bhardwaj, Chairman, Prof. J. Ramachandran, Shri Deepak Shourie, Smt. Manjari Kacker, Shri A. K. Purwar, Smt. Ryna Karani and Smt. Chhaya Virani as members.

The terms of reference, inter alia comprises the following:

i. process for selection and appointment of new directors and succession plans.

ii. recommend to the Board from time to time, a compensation structure for directors and the senior management personnel.

iii. to identify persons who are qualified to be appointed as directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend their appointment and/ or removal to the Board.

iv. to formulate the criteria for evaluation of performance of Independent Directors, the Board and the committees thereof.

v. to access whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors;

vi. to carry out evaluation of every director's performance.

vii. to devise a policy on board diversity.

viii. to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees has been provided as an Annexure to the Directors' Report.

Three meetings of the Nomination and Remuneration Committee was held on May 27,2017, October 1, 2017 and November 11, 2017 during the financial year 2017-18.

Name of the Members	**Number of Meeting**	
	held during the tenure	**attended**
Shri R. N. Bhardwaj	3	3
Shri Anil D. Ambani *	2	2
Prof. J. Ramachandran	3	3
Shri Deepak Shourie	3	0
Shri A. K. Purwar	3	3
Smt. Manjari Kacker	3	3
Shri Punit Garg#	1	1
Shri Manikantan V#	1	1
Smt Ryna Karani@	-	-
Smt Chhaya Virani@	-	-

* Ceased to be a member w.e.f. October 2, 2017.

Appointed w.e.f. October 2, 2017.

@ Appointed w.e.f. November 11, 2017.

Shri Prakash Shenoy, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Criteria for making payments to non executive directors

The remuneration to non executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market, comparative scales, aligned to Corporate goals, role assumed and number of meetings attended.

Details of sitting fees paid to the Directors during the Financial Year ended March 31, 2018.

Name of the Directors	**Designation**	**Sitting Fee paid (₹ in Lakhs)**
Shri Anil D. Ambani	Chairman	4.40
Prof. J. Ramachandran	Director	6.80
Shri Deepak Shourie	Director	2.00
Shri A. K. Purwar	Director	8.00
Shri R. N. Bhardwaj	Director	8.40
Smt. Manjari Kacker	Director	8.40
Smt. Chhaya Virani	Director	2.00
Smt. Ryna Karani	Director	0.80

Notes:

a. There were no other pecuniary relationships or transactions of non executive directors vis-à-vis the Company.

b. Pursuant to the limits approved by the Board, eligible non executive directors were paid sitting fees of ₹ 40,000 (excluding service tax) for attending each meeting of the Board and its committees.

c. No remuneration by way of Commission to the non executive directors is proposed for the financial year 2017-18.

d. Subject to approval of the shareholders, the Executive Director/Whole Time Director of the Company were paid remuneration as follows:

(₹ in Lakhs)

Sr No	**Particulars**	**Shri Punit Garg Executive Director**	**Shri Manikantan V. Director and CFO**
1.	Remuneration	105.61	82.72
2.	Perquisite	0.42	-
2.	Allowances, Bonuses, Commission and any other component	Nil	Nil
	Total	**106.03**	**82.72**

As approved by the members, Shri Prakash Shenry was paid ₹ 38.17 Lakhs as a Manager of the Company.

Shri Prakash Shenoy ceased to be a Manager of the Company with effect from October 18, 2017 and continues as a Company Secretary of the Company.

IV. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee. The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Companies

Act, 2013, Listing Regulations and other applicable laws. The terms of reference of the Committee, inter-alia, is to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee has nine members consisting of Shri A. K. Purwar, Chairman and Prof. J. Ramachandran, Shri Deepak Shourie, Shri R. N. Bhardwaj, Smt. Manjari Kacker, Shri Punit Garg, Shri Manikantan V., Smt. Ryna Karani and Smt. Chhaya Virani as members.

During the year, the Stakeholders Relationship Committee held its four meetings on May 27, 2017, August 12, 2017, November 11, 2017 and January 29, 2018. The maximum time gap between any two meetings was 90 days and the minimum gap was 76 days.

Attendance at the meetings of Stakeholders Relationship Committee held during 2017-18 is as under:

Name of the Members	Number of Meetings	
	held during the tenure	attended
Shri A. K. Purwar	4	4
Shri Deepak Shourie	4	1
Shri Anil D. Ambani *	2	1
Prof. J. Ramachandran	4	4
Shri R. N. Bhardwaj	4	4
Smt. Manjari Kacker	4	4
Shri Punit Garg#	2	1
Shri Manikantan V.#	2	2
Smt. Ryna Karani@	1	0
Smt. Chhaya Virani@	1	1

* Ceased to be member w.e.f. October 2, 2017.

\# Appointed as a member w.e.f. October 2, 2017.

@ Appointed as a member w.e.f. November 11, 2017.

Shri Prakash Shenoy, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

V. Compliance Officer

Shri Prakash Shenoy, Company Secretary is the Compliance Officer for complying with the requirements of various provisions of Law, Rules, Regulations applicable to the Company including Listing Regulations and the Listing Agreements executed with the Stock Exchanges.

VI. Employees Stock Option Scheme (ESOS) Compensation Committee

The Board has constituted the Employee Stock Option Scheme Compensation Committee ("ESOS Compensation Committee"). The Committee comprises of Shri Deepak Shourie, as Chairman and Smt. Manjari Kacker, Prof J. Ramachandran, Shri A. K. Purwar, Shri R. N. Bhardwaj, Shri Punit Garg, Shri Manikantan V., Smt. Ryna Karani and Smt. Chhaya Virani as members.

Shri Prakash Shenoy, Company Secretary acts as the Secretary to the ESOS Compensation Committee.

No meeting of ESOS Compensation Committee was held during the financial year.

VII. Employees Stock Option Scheme

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employee Stock Option Scheme (the Scheme) has been implemented by the Company to the eligible employees based on specified criteria, under Employee Stock Option Plans 2008 and 2009.

The Plans were prepared in due compliance of the Scheme, the then Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws, which are in compliance with the requirements of SEBI (Share Based Employee Benefits) Regulations, 2014.

The ESOS Plan 2008 completed 10 years and all its oustanding Options were lapsed. The ESOS Plan 2009 will be completing 10 years by January 16, 2019.

VIII. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of Corporate Social Responsibility (CSR) Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The CSR Committee comprises of Smt. Manjari Kacker as Chairperson, Prof. J. Ramachandran, Shri Deepak Shourie, Shri A. K. Purwar and Shri R. N. Bhardwaj , Shri Punit Garg, Shri Manikantan V., Smt. Ryna Karani and Smt. Chhaya Virani as members. Shri Prakash Shenoy, Company Secretary acts as the Secretary to CSR Committee.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

During the year under review, no meeting of the CSR Committee was held.

Shri Prakash Shenoy, Company Secretary acts as the Secretary to the CSR Committee.

IX. Risk Management Committee

The Risk Management Committee comprises of Shri A. K. Purwar as Chairman, Prof J. Ramachandran, Shri Deepak Shourie, Smt. Manjari Kacker, Shri R. N. Bhardwaj, Shri Punit Garg, Shri Manikantan V., Smt. Ryna Karani, Smt. Chhaya Virani and Shri Suresh Rangachar, Directors and Shri Bill Barney, CEO-GCX are members. Shri Prakash Shenoy, Company Secretary acts as Secretary of the Committee. The Committee is authorized to discharge its responsibilities under the provisions of the Companies Act, 2013 and Listing Regulations as follows:

a. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.

b. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks.

c. Set reporting guidelines for management.
d. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimising risks that may impact adversely on the business objectives of the Company.
e, Oversight of internal systems to evaluate compliance with corporate policies.
f. Provide guidance to the Board on making the Company's risk management policies.
g. Subsidiary companies monitoring framework.

During the year, no meeting of Risk Management Committee was held.

The minutes of the meetings of all the Committees of the Board are placed before the Board.

X. General Body Meetings

The Company held its General Meetings in last three years as under:

Financial Year and type of meeting	Date and Time	Whether Special Resolution passed or not
2016-17 AGM	September 26, 2017 at 4.00 p.m.	Yes 1. Private Placement of Non-Convertible Debentures and / or other Debt Securities 2. Adoption of new Articles of Association of the Company. 3. Approval for issue and allotment of equity shares to the lenders by way of conversion of loans in terms of Strategic Debt Restructuring Scheme.
2016-17 Tribunal Convened Meeting	April 24, 2017 at 9.30 a.m.	To approve composite scheme of arrangements between the Company, Aircel Limited and others.
2015-16 AGM	September 27, 2016 12.00 noon	Yes 1. Private Placement of Non-Convertible Debentures.
2015-16 CCM	March 8, 2016 11.00 a.m.	Yes 1. To approve Scheme of Arrangement between Sistema Shyam TeleServices Limited and the Company.
2014-15 AGM	September 30, 2015 12.00 noon	Yes 1. Private Placement of Non-Convertible Debentures.

The Annual General Meetings (AGM) were held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020, and Court Convened Meeting (CCM) was held at Reliance Energy Management Institute, Jogeshwari-Vikhroli Link Road, Opp. Seepz North Gate No.3, Aarey Colony, Aarey Colony Road, Mumbai 400 065.

XI. Postal Ballot

The Company had issued Postal Ballot Notice along with Postal Ballot form on January 12, 2018 in terms of Section 110 of the Act and result thereof was announced on February 15, 2018. Details of resolution passed and voting pattern were as under:

Details of resolution passed	Percentage of valid votes cast in favour of the resolution
Approval for Sale/ Disposal of Asset(s)/ Undertaking(s) of the Company and/or of its subsidiaries.	99.91

Shri Rinkit Kiran Uchat, Partner of M/s Dayal & Lohia, Chartered Accountants was appointed as Scrutinizer for conducting the above Postal Ballot voting process in fair and transparent manner.

The above resolution was passed with requisite majority. The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Act, read with Companies (Management and Administration) Rules, 2014 and amendments thereto from time to time.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

XII. Means of Communication

a. **Quarterly Results:** Quarterly Results are published in Financial Express, English newspaper circulating in substantially the whole of India and in Navshakti, (Marathi) vernacular newspaper and are also posted on the Company's website www.rcom.co.in.

b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on Company's website.

c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company as called for in terms of Listing Regulations is provided on Company's website and the same is updated regularly.

d. **Annual Report:** The Annual Report containing, inter alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Business Responsibilities Report and Management Discussion and Analysis Report forms part of the Annual Report and are displayed on the Company's website.

The Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to members through electronic means. The Company e-mails the soft copies of the Annual Report to all those members whose e-mail IDs are available with its Registrar and Transfer Agent.

e. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is web based system designed by NSE for corporate. The Shareholding Pattern, Corporate Governance Report, Corporate announcement, Media Release, Results etc. are also filed electronically on NEAPS.

f. **BSE Corporate Compliance and Listing Centre ("Listing Centre"):** The Listing Centre is web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate Announcement, Media Release, Results etc. are filed electronically on the Listing Centre.

g. **Unique Investor helpdesk:** Exclusively for investor servicing, the Company has set up a unique investor helpdesk with multiple access modes as under:

Toll free no. (India)	: 1800 4250 999
Telephone no.	: +91 40 6716 1500
Fax no.	: +91 40 6716 1791
E-mail	: rcom@karvy.com

h. **Designated E-mail-id:** The Company has also designated the E-mail-id rcom.investors@relianceada.com exclusively for investor servicing.

i. **SEBI Complaints Redress System (SCORES):** The investors' complaints are also being processed through the centralized web base complaints redress system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

XIII. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2)(e) and Schedule V of the Listing Regulations.

XIV. Subsidiaries

All the subsidiaries of the Company are managed by their respective boards. Their boards have the rights and obligations to manage their companies in the best interest of their stakeholders.

Reliance Infratel Limited (RITL) is a material non listed Indian subsidiary company in terms of Regulation 24 of the Listing Regulation. Accordingly, Prof. J. Ramachandran and Smt. Chhaya Virani, Independent Directors of the Company have been appointed on the Board of RITL.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

a. Financial statement, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.

b. Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.

c. A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.

d. Quarterly review of Risk Management process by Risk Management Committee / Audit Committee / Board.

XV. Disclosures

a. There has been no non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory Authority.

b. Related party transactions

During the financial year 2017-18, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company. The details of related party transactions are disclosed in Notes to Accounts.

c. Accounting treatment

In preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Code of conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the Board and senior management and the same has been posted on Company's website www.rcom.co.in. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Chief Executive Officer of the Company appointed in terms of the Companies Act, 2013 is given below:

"It is hereby declared that the Company has obtained from all the members of the Board and senior management personnel of the Company affirmation that they have complied with the Code of Conduct for directors and senior management for the year 2017-18".

Punit Garg
Chief Executive Officer

e. **CEO and CFO certification**

Shri Punit Garg , Executive Director appointed as CEO and Shri Manikantan V., Director and CFO of the Company have given certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

f. **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2018 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XVI. Policy on prohibition of insider trading

The Company has formulated a Reliance Communications Limited - Code of Conduct for Prevention of Insider Trading and Code for Fair Disclosures of Unpublished Price Sensitive Information (Code) in accordance with the guidelines specified under SEBI (Prohibition of Insider Trading) Regulations 2015. The Board has appointed Shri Prakash Shenoy, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, inter alia, prohibits purchase and / or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the Company's website.

XVII. Compliance of Regulation 34(3) and Para F of Schedule V of Listing Regulations

As per Regulation 34(3) and Para F of Schedule V of Listing Regulations, the details in respect of equity shares lying in "Unclaimed Suspense Account–Reliance Communications Limited" were as follows:

	Particulars	No. of Shareholders	No. of Shares
a.	Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2017	108,140	3973543
b.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year (*)	175	20439
c.	Less: Number of shareholders to whom shares were transferred from suspense account during the year. (*)	175	20439
d.	Number of shares transferred to IEPF	1,04,387	34,23,797
e.	Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2018	3,578	529,307

(*) Point No. (c) and (d) includes 1,04,387 holders holding 34,23,797 shares transferred to IEPF.

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

Wherever shareholders have claimed the shares, after proper verification, the share certificates were dispatched to them or credited the shares to the respective beneficiary account.

XVIII. Compliance with discretionary requirements

1. **The Board**

Our Chairman is a non-executive Chairman and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. **Modified Opinion(s) in Audit Report**

The Auditors have issued modified opinion in their Audit Report for the financial year ended March 31, 2018 due to non provision of interest on borrowings for the year ended March 31, 2018. Detailed information on modified opinion has been given in their report.

3. **Separate posts of Chairman and CEO**

The Company has appointed Shri Punit Garg, Executive Director as CEO. Thus, the Company maintains separate posts of Chairman and CEO.

4. **Reporting of Internal Auditor**

The internal auditor directly report to the Audit Committee of the Company.

XIX. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this annual report.

Auditor's certificate on corporate governance

The Auditors' certificate on compliance of Regulation 34(3) read with Para E of Schedule V of Listing Regulations relating to corporate governance is published elsewhere in this report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Communications, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders.

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations				
Sr. No.	**Particulars**	**Regulation**	**Compliance Status**	**Compliance Observed**
1.	Board of Directors	17	Yes	• Composition & Meetings • Review of compliance reports & compliance certificate • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Risk assessment and management • Performance evaluation
2.	Audit Committee	18	Yes	• Composition & Meetings • Powers of the Committee • Role of the Committee and review of information by the Committee
3.	Nomination and Remuneration Committee	19	Yes	• Composition • Role of the Committee
4.	Stakeholders Relationship Committee	20	Yes	• Composition • Role of the Committee
5.	Risk Management Committee	21	Yes	• Composition • Role of the Committee
6.	Vigil Mechanism	22	Yes	• Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee
7.	Related Party Transactions	23	Yes	• Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee • Review of Related Party Transactions • No material Related Party Transactions
8.	Subsidiaries of the Company	24	Yes	• Appointment of Company's Independent Director on the Board of material subsidiary • Review of financial statements of subsidiary by the Audit Committee • Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors
9.	Obligations with respect to Independent Directors	25	Yes	• Maximum directorships and tenure • Meetings of Independent Directors • Cessation and appointment of Independent Directors • Familiarisation of Independent Directors
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	• Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Persons, Director and Promoter
11.	Other Corporate Governance requirements	27	Yes	• Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance
12.	Website	46(2)(b) to (i)	Yes	• Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism / Whistle-blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarization programmes imparted to Independent Directors

Independent Auditors' Certificate on Corporate Governance

To,
The Members of
Reliance Communications Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Communications Limited ('the Company') for the year ended on March 31, 2018, as stipulated in regulations 17 to 27,clause (b) to (i) of regulation 46(2) and para C D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and Paragraph C, D, and E of Schedule V of the Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
July 18, 2018

Important points

Hold securities in dematerialised form as transfer of shares in physical form will no more be permissible.

As per notification issued by SEBI, with effect from December 5, 2018, the shares of the Company can be transferred only in dematerialised form. Members are advised to dematerialise shares in the Company to facilitate transfer of shares.

Form for updating PAN / Bank details is provided as a part of this Annual Report.

Members are requested to send duly filled form along with (a) self-attested copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of members, duly attested by an authorised bank official.

Investors should hold their securities in dematerialised form as the same is beneficial due to following:-

- A safe and convenient way to hold securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address as change with Depository Participants gets registered with all companies in which investor holds securities electronically;
- Easier transmission of securities as the same done by Depository Participants for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger etc.
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Hold Securities in Consolidated form

Investors holding shares in multiple folios are requested to consolidate their holding in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Karvy, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Register for SMS alert Facility

Investor holding shares in demat mode should register with Depository Participants for the SMS alert facility. Both National Securities Depository Limited and Central Depository Services (India) Limited alert investors through SMS of the debits and credits in their demat account.

Submit Nomination Form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding and with their Depository Participants in case of shares are held in dematerialised form.

Form may be downloaded from the Company's website, www.rcom.co.in under the section 'Investor Relations'. However, if shares are held in dematerialised form, nomination has to be registered with the concerned Depository Participants directly, as per the form prescribed by the Depository Participants.

Deal only with SEBI Registered Intermediaries

Investors should deal with SEBI registered intermediary so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate Benefits in Electronic Form

Investor holding shares in physical form should opt for corporate benefits like split / bonus etc. in electronic form by providing their demat account details to Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company / Depository Participants. This will help them in receiving all communication from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000 and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer Circular CIR/MRD/DP/22/2012 dated August 27, 2012 and circular CIR/MRD/DP/20/2015 dated December 11, 2015).

Book closure dates for the purpose of AGM

Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of Annual General Meeting.

Annual General Meeting

The 14th Annual General Meeting (AGM) will be held on Tuesday, September 18, 2018 at 9.30 A.M. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

E-voting

The Members can cast their vote online from 10.00 A.M on September 14, 2018 to 5.00 P.M. on September 17, 2018.

Investor Information

Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

Website

The Company's website www.rcom.co.in contains a separate dedicated section called 'Investor Relations'. It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, dividends declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. rcom.investors@relianceada.com.

Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited,
Unit: Reliance Communications 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
Tel: +91 40 6716 1500
Fax No. +91 40 6716 1791
Toll Free No. 1800 4250 999
E-mail: rcom@karvy.com

Shareholders / investors are requested to forward share transfer documents, dematerialisation requests (through their Depository Participant) and other related correspondence directly to Company's RTA for speedy response.

Unclaimed dividends / shares

The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) have come into force with effect from September 7, 2016.

The Company has transferred the dividend for the years 2006-07 to 2009-10 remaining unclaimed for a period of seven years from the date of declaration to IEPF.

During the year under review, the Company has transferred unclaimed dividend of ₹ 2,01,26,464 to the Investor Education and Protection Fund pursuant to the provisions of the Companies Act, 2013.

The Company has transferred to the IEPF Authority 1,31,55,323 equity shares of ₹ 5 each on November 29, 2017, in respect of which dividend had remained unpaid or unclaimed for a period of seven consecutive years or more as on due date of transfer, i.e. October 31, 2017.

Details of the equity shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: http://www.rcom.co.in/Rcom/about-us/investor-relations/shareholders.html The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

The dividend and other benefits, if any, for the following years remaining unclaimed for a period of seven years from the date of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amount are as under:

Financial year ended	Dividend per share (₹)	Date of declaration	Due for transfer on	Amount lying in the unpaid dividend account (₹)
31-03-2011	0.50	27-09-2011	26-10-2018	1,25,58,384
31-03-2012	0.25	04-09-2012	03-10-2019	71,84,478
31-03-2013	0.25	27-08-2013	26-09-2020	71,75,290

The Company shall transfer to IEPF within the stipulated period (a) the unpaid or unclaimed dividend for the financial year 2010-11;(b) the shares on which dividend has not been claimed or encashed for a period of last seven consecutive years or more.

The Company has individually communicated to the concerned shareholders, whose equity shares are liable to be transferred to the IEPF, to enable them to take appropriate action for claiming the unclaimed dividends and equity shares, if any, by due date, failing which the Company would transfer the aforesaid equity shares to the IEPF as per the procedure set out in the Rules. The details of such equity shareholders and equity shares due for transfer are uploaded on the website of the Company (www.rcom.co.in).

Members are requested to note that no claims shall lie against the Company in respect of their shares or the amounts so transferred to IEPF and no payment shall be made in respect of any such claim. Any shareholder whose equity shares and unclaimed dividends has been transferred to the Fund, may claim the equity shares or apply for claiming the dividend transferred to IEPF by making an application in Form IEPF 5 available on the website www.iepf.gov.in along with the applicable fee.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2017 (date of last Annual General Meeting) and the details of such shareholders and shares due for transfer on the website of the Company (www.rcom.co.in), as also on the website of the Ministry of Corporate Affairs.

Members who have so far not encashed dividend warrants for the aforesaid years are requested to approach the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited immediately. Members are requested to note that the Company has uploaded the details of unpaid and unclaimed dividend and equity shares due to be transferred on the website of the Company www.rcom.co.in.

The voting rights on the share transferred to IEPF authority shall remain frozen till the rightful owner claim the same.

Investor Information

Share transfer system

Shareholders / investors are requested to send share certificate(s) along with share transfer deed in the prescribed Form SH-4 duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by Company's RTA. **However, SEBI vide its notification has stated that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository with effect from December 5, 2018.**

Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

Shareholding Pattern

	Category of Shareholders	As on 31.03.2018		As on 31.03.2017	
		Number of Shares	%	Number of Shares	%
(A)	Shareholding of Promoter and Promoter Group				
	(i) Indian	1464696844	52.96	1464696844	58.85
	(ii) Foreign	0	0	0	0
	Total shareholding of Promoter and Promoter Group	1464696844	52.96	**1464696844**	**58.85**
(B)	Public Shareholding				
	(i) Institutions	418653389	15.14	618024496	24.84
	(ii) Non-Institutions	854687067	30.91	375159563	15.07
	Total Public Shareholding	1273340456	46.05	**993184059**	**39.91**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	6216750	0.22	9819842	0.39
(D)	ESOS Trust*	21279000	0.77	21279000	0.85
	GRAND TOTAL (A)+(B)+(C)+(D)	2765533050	100.00	**2488979745**	**100.00**

* Shares held by ESOS Trust have been shown as Non-Promoter Non-Public as per the Listing Regulations w.e.f. December 1, 2015

Distribution of shareholding

Number of Shares	Number of Shareholders as on 31.03.2018		Total equity Shares as on 31.03.2018		Number of Shareholders as on 31.03.2017		Total equity Shares as on 31.03.2017	
	Number	%	Number	%	Number	%	Number	%
Up to 500	11 83 745	90.12	10 94 39 341	3.96	1536660	94.47	116197697	4.67
501 to 5000	1 17 868	8.97	16 70 30 258	6.04	83986	5.16	108686845	4.37
5001 to 100000	11 489	0.87	16 58 72 094	6.00	5702	0.35	83578859	3.36
Above 100000	416	0.03	2 32 31 91 357	84.01	316	0.02	2180516344	87.60
Total	**13 13 518**	**100.00**	**2 76 55 33 050**	**100.00**	1626664	100.00	2488979745	100.00

Dematerialisation of Shares and Liquidity

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE330H01018. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by Securities and Exchange Board of India (SEBI).

Status of dematerialisation of shares

As on March 31, 2018, 99.06 per cent of the Company's equity shares are held in dematerialised form.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2017-18	2016-17	2017-18	2016-17	31.3.2018	31.3.2017
SEBI	19	17	19	17	Nil	Nil
Stock Exchanges	8	13	8	13	Nil	Nil
NSDL / CDSL	1	0	1	0	Nil	Nil
Direct from investors	3	0	3	0	Nil	Nil
Total	31	30	31	30	Nil	Nil

Investor Information

Analysis of Grievances

Nature of Grievances	2017-18		2016-17	
	Numbers	%	Numbers	%
Non-receipt of Annual Report	18	58.06	11	36.67
Non-receipt of dividend	10	32.26	19	63.33
Others	3	9.68	0	0.00
Total	**31**	**100.00**	**30**	**100.00**

There was no complaint pending as on March 31, 2018.

Notes:

1. The shareholder base was 13,55,554 as of March 31, 2018 and 16,26,664 as of March 31, 2017.
2. Investors' queries / grievances are normally attended within a period of three working days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned. There was no complaint pending as on March 31, 2018.

Legal proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however not material in nature.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any material exposure to the commodity price risks. The Company has revenues in foreign currency which acts as a 'natural hedge' to a certain extent.

Equity History

Sr. No.	Date	Particulars	Issue Price per equity share ₹	No. of Shares	Cumulative Total
1	16.07.2004	Allotted upon Incorporation	10	10000	10000
2	25.07.2005	Additional issue of equity shares	10	40000	50000
3	11.08.2005	Sub division of equity shares of ₹ 10 into ₹ 5 per share	N.A.	100000	100000
4	27.01.2006	Allotment pursuant to Scheme of Arrangement	N.A.	1223130422	1223230422
5	27.01.2006	Cancelled pursuant to Scheme	N.A.	(100000)	1223130422
6	14.09.2006	Allotment pursuant to Scheme of Arrangement	N.A.	821484568	2044614990
7	18.10.2007 to 31.01.2008	Conversion of FCCBs	480.68/ 661.23	19411891*	2064026881
8	02.07.2014	Allotment to Qualified Institutional Buyers	142.14	338286197	2402313078
9	20.01.2015	Preferential allotment	150	86666667	2488979745
10	31.10.2017	Allotment to SSTL	5	276553305	2765533050

* of above 667,090 shares were converted @ ₹ 661.23 on 31.10.2007.

Stock price and volume

2017-18	BSE Limited			National Stock Exchange of India Limited		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
April, 2017	41.00	33.50	3,33,24,423	41.00	33.45	21,58,03,311
May, 2017	34.60	18.15	11,11,69,545	34.80	18.10	75,94,25,836
June, 2017	22.30	17.80	12,53,40,529	22.30	17.80	99,35,35,494
July, 2017	26.70	20.40	7,82,09,213	26.70	20.35	45,43,07,202
August, 2017	26.55	19.90	6,43,50,288	26.55	19.90	40,70,87,037
September, 2017	23.90	18.80	5,02,80,441	23.95	18.75	48,94,52,096
October, 2017	19.10	15.60	8,35,25,368	18.70	15.55	73,93,34,422
November, 2017	17.55	9.60	15,25,67,950	17.45	9.60	1,40,05,51,688
December, 2017	41.77	10.70	49,15,87,930	40.15	10.60	4,20,73,45,023
January, 2018	37.80	26.55	30,12,85,827	37.45	26.50	3,65,74,59,583
February, 2018	30.60	23.25	14,52,14,265	30.95	22.95	1,61,27,36,453
March, 2018	29.35	21.40	16,37,74,060	29.40	21.45	1,55,33,98,095

(Source: This information is compiled from the data available on the website of BSE and NSE)

Investor Information

Stock Exchange listings

The Company's equity shares are actively traded on BSE and NSE, the Indian Stock Exchanges.

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Website : www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C / 1, G Block
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
Website : www.nseindia.com

Stock Codes and ISIN details :

	Code	ISIN
BSE (Equity shares)	532712	INE330H01018
NSE (Equity shares)	RCOM	INE330H01018
Non convertible Debentures (BSE)	946049	INE330H07015
	947795	INE330H07064
Non convertible Debentures (NSE)	RCOM19	INE330H07015
	RCOM19	INE330H07064

An Index Scrip:

Equity shares of the Company are included in Futures and Options trading, S&P BSE 500 and Nifty 500.

Global Depository Receipts (GDRs)

Luxembourg Stock Exchange

Societe De La Bourse, De Luxembourg,
35A Boulevard Joseph II, Luxembourg
Website : www.bourse.lu

Depository bank for GDR holders

Deutsche Bank Trust Company Americas
60 Wall Street, New York 10005

Security codes of RCOM GDRs

	Master Rule 144A GDRs	Master Regulations GDRs
CUSIP	75945T106	75945T205
ISIN	US75945T1060	US75945T2050
Common Code	025317530	025317645

Note: The GDRs are admitted to listing on the official list of the Luxembourg Stock Exchange and trading on the Euro MTF market. The Rule 144A GDRs have been accepted for clearance and settlement through the facilities of DTC, New York. The Regulation S GDRs have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream, Luxembourg. The Rule 144A GDRs have been designated as eligible for trading on PORTAL.

Outstanding GDRs of the Company, conversion date and likely impact on equity

Outstanding GDRs as on March 31, 2018 represent 62,16,750 equity shares constituting 0.22 per cent of the paid-up equity share capital of the Company. Each GDR represent one underlying equity share in the Company.

Debt Securities

1. The following Debt Securities of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE and NSE.

   a. 11.20 per cent Secured Redeemable Non-Convertible Debentures (ISIN INE330H07015)

   b. 11.25 per cent Secured Redeemable Non-Convertible Debentures, Series - 1 (ISIN INE330H07064)

c. Debenture Trustee

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW,

29, Senapati Bapat Marg,

Dadar West, Mumbai- 400 028

Website: www.axistrustee.com

2. 6.5 per cent Senior Secured Notes due 2020 is listed on Singapore Exchange Securities Trading Limited, Singapore

ISIN XS1216623022

Common Code 121662302

Singapore Exchange Securities Trading Limited

(SGX-ST) 2 Shenton Way #19-00 SGX Centre 1

Singapore 068804

Website: www.sgx.com

Senior Secured Notes Trustee

Madison Pacific Trust Limited
1720, 17th Floor, Tower One, Admiralty Centre,
18 Harcourt Road, Admiralty, Hong Kong

Payment of Listing Fees

An annual listing fee for the year 2018-19 has been paid by the Company to the stock exchanges.

Payment of depository fees

Annual custody / issuer fee for the year 2018-19 has been paid by the Company to CDSL and will be paid to NSDL on receipt of invoice

Share Price Performance in comparison to broad based indices - BSE Sensex and NSE Nifty

	RCOM	Sensex BSE	Nifty NSE
FY 2017-18	-43.21 percent	11.30 percent	10.25 percent
2 years	-56.50 percent	30.10 percent	30.69 percent
3 years	-63.29 percent	17.92 percent	19.11 percent

Investor Information

Key financial reporting dates for the financial year 2018-19

Unaudited results for the first quarter ended June 30, 2018	:	On or before August 14, 2018
Unaudited results for the second quarter and half year ended September 30, 2018	:	On or before November 14, 2018
Unaudited results for the third quarter ended December 31, 2018	:	On or before February 14, 2019
Audited results for the financial year 2018-19	:	On or before May 30, 2019

Depository services

For guidance on depository services, shareholders may write to their Depository Participant or National Securities Depository Limited (NSDL), Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, website: www.nsdl.co.in or Central Depository Services (India) Limited (CDSL), Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400 023, website: www.cdslindia.com.

Communication to members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter except last quarter during the year under review. The last quarter financial results of the Company were announced within 60 days of the end of the year. The Company's media releases and details of significant developments are made available on Company's website: www.rcom.co.in. These are also published in leading newspapers.

Reconciliation of Share Capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital. The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders / Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response.

Karvy Computershare Private Limited
Unit: Reliance Communications Limited
Karvy Selenium Tower – B, Plot No. 31 & 32,
Survey No. 116/22, 115/24, 115/25,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500 032.
Tel: +91 40 6716 1500
Fax No. +91 40 6716 1791
Toll Free No. 1800 4250 999
E-mail: rcom@karvy.com.

Shareholders / Investors can also send the above correspondence to the Compliance Officer of the Company at the following address

The Company Secretary

Reliance Communications Limited

H Block, 1st Floor, Dhirubhai Ambani Knowledge City

Navi Mumbai 400 710.

Telephone no. : +91 22 3038 6286

Fax : +91 22 3037 6622
E-mail : rcom.investors@relianceada.com

Plant Locations

The Company is engaged in the business of providing telecommunications services and as such has no plant.

Business Responsibility Report

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	:	L45309MH2004PLC147531
2.	**Name of the Company**	:	Reliance Communications Limited
3.	**Registered address**	:	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India
4.	**Website**	:	www.rcom.co.in
5.	**E-mail id**	:	rcom.investors@relianceada.com
6.	**Financial Year reported**	:	2017 - 18

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

The Company (RCOM), together with its subsidiary company Global Cloud Xchange (GCX), are leading global communications services provider with businesses including a global subsea network; a global on-net Cloud ecosystem; extensive India and global enterprise business; India Data Center Business (IDC) and India National Long Distance Business (NLD).

Industrial Group	Description
Group 611	Wired telecommunications activities
Group 612	Wireless telecommunications activities
Group 619	Other telecommunications activities

(As per National Industrial Classification – Ministry of Statistics and Programme Implementation)

8. **List three key products/ services that the Company manufactures/ provides (as in balance sheet)**

Our Company provides Internet Data Centre Services, global enterprise business Services; and India National Long Distance Business (NLD) and Telecom Infrastructure services through subsidiary companies.

9. **Total number of locations where business activity is undertaken by the Company**

   i. Number of International Locations (Provide details of major 5):- Major five locations are at USA, UK, France, Ireland and Bermuda.

   ii. Number of National Locations: - All the states in India.

10. **Markets served by the Company –** The Company offered services in 156 countries for Managed Services apart from serving on Pan India basis during the year ended March 31, 2018.

Section B: Financial Details of the Company

1.	Paid up Capital (INR)	₹ 1383 crore
2.	Total Turnover (INR)	₹ 2231 crore
3.	Total Profit/ (Loss) after taxes from Continued Operation(INR)	₹ 64 crore
4.	Total Spending on Corporate Social Responsibility as percentage of profit after tax	-

The Company and subsidiary companies continue to do CSR activities.

5. **List of activities in which expenditure in 4 above has been incurred:-**

One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.

Following is the list of CSR focus areas under which the Company utilised its resources.

a) Extending Support to Swachh Bharat Abhiyan
b) Education: Bridging the Literacy Gap
c) Education: Extending educational support to differently abled.
d) Initiatives for development of community.
e) Extending Employability skills to Youth aspiring growth.
f) Livelihood promotion by creating employment opportunities for women and Differently-abled youth with a focus to mainstream them.
g) Environmental Conservation
h) Healthcare initiatives
i) Volunteering for Social Change

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

The Company has 88 subsidiary companies as on March 31, 2018.

2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

Yes, CSR activities are done at group level in which subsidiary companies are part of it.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No, the entities e.g. suppliers, distributors etc. of the Company are not participating in the BR initiatives of the Company.

Section D: BR Information

1. **Details of Director/ Directors responsible for BR**

a) **Details of the Director/ Director responsible for implementation of the BR policy/policies**

DIN	Name	Designation
00004593	Prof. J. Ramachandran	Independent Director

b) **Details of the BR head**

S. No.	Particulars	Details
1.	DIN Number (If applicable)	N. A.
2.	Name	Mr. Prakash Shenoy
3.	Designation	Company Secretary and Compliance Officer
4.	Telephone Number	(022) 3038 6286
5.	e-mail id	rcom.investors@relianceada.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well being of all employees
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes, Our Human Resources Department oversees the implementation of the policies.								
6.	Indicate the link for the policy to be viewed online?	Code of conduct is available on our website – www.rcom.co.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, Policies have been communicated to concern.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes, all the policies of the Company are implemented. through Human Resources Department.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	We have mechanism to redress the grievance of the stakeholder related to policy. They can approach the Chairman of the Audit Committee.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Our Management Audit Team independently evaluates the working of these policies.								

2 a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Executive Director/Chief Executive Officer of the Company reviews the BR performance of the Company on annual basis.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, BRR is part of our Annual Report.

Section E: Principle-wise performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to Ethics, Bribery and Corruption is covered under Reliance Group Companies Code of Ethics and Business Policies, which are applicable to all personnel of the Company as well as to the (i) Consultants, (ii) Representatives, (iii) Suppliers, (iv) Contractors and (v) Agents dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The complaints were amicably resolved within the defined SLAs and with complete customer satisfaction. The below mentioned count of complaints pertains to relevant period for wireline business.

Stakeholders Complaints

Complaints	No. of complaints received	No. of complaints resolved	% of complaints resolved
Shareholders Complaints	31	31	100%
Customers Complaints	509233	506948	99.55%

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Our Company provides B2B services, Internet Data Centre and Telecom Infrastructure through subsidiary companies.

Another major challenge is to optimize the electricity use at the Data center. Normally, Data center operation itself involves enormous amount of electricity consumption measured by Power Usage Effectiveness (PUE). The huge electricity consumption has a negative impact on the environment and corporate operating costs. We have been identifying and implementing the technologies, mechanisms at all the data centers to improve the PUE.

Electromagnetic radiation from BTS antenna and noise pollution from usage of Diesel Generator may be considered as an environment concerns. Radiation and noise pollution are within the permissible limit, still we are closely monitoring the same and take preventive steps to reduce radiation and noise pollution.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company's services do not have any broad based impact on energy. Our Internet Data Center (IDC), normally, has a connected load of 5 MW which is being taken from the local grids. We have implemented the Energy Management System (ISO 50001_EnMS) at our largest data center in Mumbai and in process of implementing this across all data centers in India. IDC has also implemented Occupational Health and Safety system (OHSAS 18001) for it's Mumbai and Hyderabad facilities.

Spectrum is used for Electromagnetic radiation and Diesel is used in Diesel Generator as a resource. Electromagnetic radiation is measured in unit of RF power transmitted in watt per square meter and Noise pollution emitted from Diesel Generator is measured in terms of dB level.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, our policy aims to have long term relationship with various vendors. We have detail procedures for finalisation of prospective vendors, which includes techno commercial analysis, vendor's financial strength, market share, past track record etc. All vendors providing goods/ services have to comply with the local laws. While selecting a product, efforts are put on environment friendliness, low power consumption, EMF radiation monitoring / testing etc.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We support and encourage local vendors for ensuing positive impact of sourcing resources. The local vendors were used for small civil related jobs, fiber related services, sign boards, local supply of materials, material handling, housekeeping, etc. We have appointed local service providers whose job is to give after sales service to the customers. These service providers are given regular training so as to optimise their capacity and capabilities.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has well established process for disposal of Products Waste, e.g. Telecom End of Life Batteries though Battery OEMs and Electronics waste are being disposed off through scrap vendors after proper disposal certificates are being taken from the vendors.

We also re-use the STBs by refurbishing them. At present, around 20% of new Installations are from the refurbished lot.

Principle 3 Businesses should promote the well being of all employees.

1. **Please indicate the Total number of employees.**

   The total numbers of employees were 3,038 on rolls as on March 31, 2018.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   There are total 1,219 employees.

3. **Please indicate the Number of permanent women employees.**

   There are 436 women employees on the rolls of the Company.

4. **Please indicate the Number of permanent employees with disabilities**

   There are 4 employees with disabilities.

5. **Do you have an employee association that is recognized by management?**

   No

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. No Complaint.	Not Applicable
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	Not Applicable

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   Safety and skill up-gradation training provided to following percentage of under mentioned employees in the last year:

   - Permanent Employees - 5%
   - Permanent Women Employees - 5%
   - Casual/Temporary/Contractual Employees - Nil
   - Employees with Disabilities - Nil

Principle 4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/ No**

   Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   One of the main CSR initiative of Reliance Group is to support the Mandke Foundation. With the support of Reliance Group, Mandke Foundation had developed Kokilaben Dhirubhai Ambani Hospital & Medical Research Institute as one of the most advanced tertiary care facilities, which continues to provide quality healthcare, especially those below the poverty line.

   The Company promotes programmes which focus on education, employability, economic empowerment, environment, and technology based initiative to foster inclusive growth of the community around the areas of operations PAN India. The company also encourages active employee volunteering wherein the enthusiastic volunteers contribute their time in sustaining the CSR interventions being taken in the country. The several CSR initiatives like projects SPARSH, VIDYA, Reliance ASHA, PRAYAG etc are planned, designed and implemented with a focus to support the vulnerable communities including children, underprivileged youth, women, visually challenged and differently abled people to support transforming their lives.

Principle 5 Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   Most of the aspects of human policy are covered in our Reliance Group Companies Code of Ethics and Business Policies. We respect human rights. All the labor related laws are based on human rights principle, which we follow consistently. We provide equal opportunity to all the sections of the society without any discrimination.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer our response to Principle No.1.

Principle 6 Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors /NGOs /others.**

   Our companies in the group are committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the group and extending its benefits to the Industry. We believe in safeguarding environment for long term. Reliance Group Companies Code of Ethics and Business Policies is applicable to all personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company has taken the initiatives on Green telecom such as :- (i) Usage of renewable energy with solar panels, (ii) Usage of newly developed batteries to reduce fuel consumption at telecom sites and thereby reducing CO2 emission etc. Hyperlink is not available.

   We have also taken following new initiatives to address environmental issues in IDCs

   A. Our upcoming IDC building (IDC-5) in Navi Mumbai is pre-certified for LEED GOLD rating from Indian Green Building Council (IGBC).

   B. As part of efficient energy management in Data centers, we have obtained ISO 50001 certification for IDC4 Mumbai to improve energy performance.

3. **Does the company identify and assess potential environmental risks? Y/ N**

   Yes. Reduction of Carbon Emission is being implemented by the Company by deploying High Efficient Batteries and Energy Conservation measures such as Sourcing Power through Green resource e.g. Solar and RESCO Model.

   We have also identified and assess potential environmental risks as follows:

   A. Electro-Magnetic Radiation: We comply with EMF norms released by DoT.

   B. Tower Structure safety: Towers are deployed on the basis of Wind Zone compliance.

   C. Lighting arrester and earthling are also used for tower safety.

   D. Towers are complied with fire safety norms and practices.

   E. Surplus electronics equipment not in use are sold and we follow the e-waste process to dispose of these equipment.

   F. IDC as such do not pollute environment, but we comply with all environmental norms while building IDCs and their equipment selection:

   G. We comply with local SEB norms through CEIG approval process for all IDCs across India.

   H. We follow fire safety norms and use automatic gas suppression system (FM200) in all our server halls of IDC to immediate extinguishes the fire. FM200 gas is zero ozone-depleting potential and low global warming potential and short atmospheric life.

   I. Similarly we use HFC based refrigerant in Chiller system zero ozone-depleting potential and low global warming potential.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company has undertaken the following projects related to Clean Development Mechanism –

   A. Initiatives on Green telecom with focus on (i) Renewable energy like solar, (ii) Newly developed batteries to reduce fuel consumption on telecom sites and thereby, reducing CO2 emission.

   B. Guidelines on TRAI for CO2 reduction have been released and compliance report was submitted.

   C. BTS runs on minimal power consumption mode based on actual traffic.

   D. IDCs do not generate any emission and hence do not pose any risk to environment.

   The Company has submitted Six Monthly MOEF Compliance Report to Ministry of Environment and Forest after quality testing of Air, Water and Soil.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for web page etc.**

   Yes. the Company has deployed high efficient Batteries and Energy Conservation measures such as Sourcing Power through Green resource e.g. Solar and RESCO Model. The Company has also taken up measures in reducing / removing use of Air-conditioners for Telecom BTS Sites by converting Sites to Outdoor category. Initiatives on Green telecom such as (i) renewable energy with solar panels, (ii) usage of high efficient batteries and (iii) DC power are supplied to reduce fuel consumption on telecom sites (iv) reduction of CO2 emission is being planned for 5000 sites.

We have taken following initiatives for Green IDC and to achieve high Energy efficiency in operations.

A Our upcoming IDC building (IDC-5) in Navi Mumbai is pre-certified for LEED GOLD rating from Indian Green Building Council (IGBC).

B As part of efficient energy management in Data centers, we have obtained ISO 50001 certification for IDC 4 Mumbai to improve energy performance.

C. We are continuously putting efforts to improve PUE (Power Usage effectiveness) on year on year. We have taken several effective steps to improve PUE by optimizing our air-conditioning and lighting systems, e.g. Hot/ Cold Aisle arrangement, restricting airflow, blanking plates and cold aisle Containment etc.

D. We are also submitting Six Monthly MOEF Compliance Report to Ministry of Environment and Forest after quality testing of Air, Water and Soil.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

CPCB/ SPCB are not applicable for Telecommunication Network. We comply with the regulatory requirement as released by DOT from time to time. We are continuously reducing the carbon foot printing of IDC by reducing the CO2 emissions year by year.

We are effectively doing e-waste management through CPCB / SCPB approved vendors.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Two.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we, alongwith subsidiary company, are the members of some prestigious trade association. The major associations are as follows:

a. Tower and Infrastructure Providers Association (TAIPA)

b. Associated Chambers of Commerce & Industry of India (ASSOCHAM)

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The industry associations take up the issues faced by the industry to the policy makers to enable us to provide quality telecom services to the subscribers.

Principle 8 Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

At RCOM, CSR is inculcated well within the culture of the company and continuous efforts are being taken to strengthen its social initiatives each year to make the programmes more sustainable and support the community at large.

In FY 2017-18, RCOM has undertaken the following CSR programmes , in association with the local administrative authorities, academic institutions, government hospitals and NGO's.

a. Volunteering Initiative for Developing Young Aptitude (VIDYA)

Project VIDYA, is an educational program initiated by RCOM with a mission to create a platform to support effective learning and improve the literacy levels in the community. Focused on establishing a learning environment for developing reading skills and literacy skills in primary and secondary school children. In 2017-18, with the support of employee volunteers the project focused on mentoring and tutoring of the municipal school children in the state of Maharashtra. In addition, several sessions on art, craft and culture were taken to focus on the holistic development of the students.

b. Blood Donation Campaign

Reliance being a responsible corporate has been organizing blood donation campaigns across the country for past many years. The focus is on encouraging employees for voluntary blood donation and by creating a voluntary donor base to support the community. The camps are conducted on a biannual basis organized in partnership with the government hospitals to reach out to the people from underserved communities. In the year 2017-18, RCOM organized blood donation campaigns at 15 locations across RCOM offices collecting more than 600 units of blood.

c. Employee Volunteering Day

"Employee Volunteering Day" was observed in February 2018, to acknowledge and honour the contributions by the employees towards the CSR initiatives undertaken by the organization. For the financial year 2017-18, around 32 volunteers participated in the CSR activities that were conducted during the year.

RCOM has always dedicated substantially towards scaling up the social programmes being undertaken and made efforts to make them more sustainable to support the underprivileged communities.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Driven by our belief that the whole is greater than the sum of its parts, all our CSR activities across the group are aligned under one umbrella: the Group CSR forum which is the helm for strategy, planning and integration of functional learning. The forum facilitates cross-functional, cross-geographical learning and brings in operational and methodological efficiency at every level within the CSR ambit across the Group companies.

The programmes were undertaken both, through in-house teams as well as in co-ordination with external NGOs.

3. Have you done any impact assessment of your initiative?

On a periodic basis, we measure the direction of our initiatives and their impact. The assessment helps in focusing our efforts and achieving better results.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company and subsidiary companies continue to do CSR activities.

4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our approach towards CSR is to interweave social responsibility into company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. In order to make the initiatives sustainable, the projects are designed, which are mostly long term projects in collaboration with different NGO's wherein employee volunteering plays a key role and the projects are aligned in line with the business processes and products. We as a company can become the facilitators and do the handholding for the community based on the duration of the project, however, in association with the project partners and other concerned authorities try to create a structured plan to ensure capacity building of the community to enable them to sustain the project and get benefitted after the completion of the project.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

As of March 31, 2018, there are 2,285 (0.45%) consumer complaints are pending for resolution. The pending complains majorly pertains to Broadband related.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Beyond mandatory details such as name of the company, address etc., we also display brand name / product specifications / visuals etc. on product packaging.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, during Q1, the customer satisfaction was measured with the help of robust SMS based surveys conducted on a daily basis and analyzed on a weekly and monthly basis. There is a set of SMS's sent to customers post their consent for participation in the survey. Customers who respond 'No' in the 'Overall Experience' parameter are out-called on a sample basis within 48 hours (subject to contractibility). This process was continued till Q-1 and later stopped due to various business challenges.

Independent Auditor's Report on the Abridged Standalone Ind AS Financial Statements

To The Members of
Reliance Communications Limited

Report on the Abridged Standalone Ind AS Financial Statement

1. The accompanying abridged standalone Ind AS financial statements of Reliance Communications Limited ('the Company'), which comprise the abridged standalone Balance Sheet as at 31 March 2018, the abridged standalone Statement of Profit and Loss (including Other Comprehensive Income), the abridged standalone Statement of Cash Flows and the abridged standalone Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and related notes, are derived from the audited standalone Ind AS financial statements of the Company for the year ended 31 March 2018. We expressed a qualified opinion on those financial statements including matter of emphasis in our report dated 30 May 2018.

   The abridged standalone Ind AS financial statements do not contain all the disclosures required by the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs and accounting principles generally accepted in India, applied in the preparation of the audited standalone Ind AS financial statements of the Company. Reading the abridged standalone Ind AS financial statements, therefore, is not a substitute for reading the audited standalone Ind AS financial statements of the Company.

Management's Responsibility for the Abridged Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the preparation of summary of the audited standalone Ind AS financial statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited standalone Ind AS financial statements for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards referred to in Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs and accounting principles generally accepted in India. As explained in Note 1 (a), the abridged standalone Ind AS financial statements have been prepared as per the format prescribed in Form AOC 3A with suitable modifications in line with requirements of Division II of Schedule III to the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the abridged standalone Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Basis for Qualified Opinion

4. The auditors' report on the audited Standalone Ind AS financial statements contains Qualified Opinion, which are applicable for abridged standalone Ind AS financial statements as well. The basis of Qualified Opinion paragraph given in the auditors' report on standalone Ind AS financial statements of the company are as under:

   We draw attention to Note 2.20 of the abridged Standalone Ind AS financial statements regarding non provision of interest amounting to ₹ 3,055 crore for the year ended 31st March, 2018 on Borrowings taken by the Company and its Subsidiary Companies. Had such interest has been provided then the reported loss for the year ended 31st March, 2018 would have been ₹ 12,925 crore and negative net worth of the company would have been ₹ 6,261 crore.

Qualified Opinion

5. In our opinion, the abridged standalone Ind AS financial statements, prepared in accordance with Section 136(1) readwith Rule 10 of the of Companies (Accounts) Rules, 2014 are derived from the audited standalone Ind AS financial statements of the Company for the year ended 31 March, 2018 and are a fair summary of those standalone Ind AS financial statements except matter specified in Basis of Qualified opinion above and read with Emphasis of Matter paragraph 6 (a) and (b) below, regarding exercise of option available as per the Court Order which overrides the requirement of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Error'.

Emphasis of Matter

6. The auditors' report on the audited standalone Ind AS financial statements contains Emphasis of Matter paragraphs, which are applicable for abridged standalone Ind AS financial statements as well. The basis of Emphasis of Matter paragraphs given in the auditors' report on standalone Ind AS financial statements of the company are as under:

   a. We draw attention to Note 2.04.1(vi) of the abridged standalone Ind AS financial statements regarding the Scheme of Arrangement ('the Scheme') sanctioned on 03 July 2009 by the Hon'ble High Court of Judicature at Mumbai, the Company is permitted to adjust additional depreciation/amortisation, expenses and/or losses, which have been or are required to be debited to the Statement of Profit and Loss by a corresponding withdrawal or credit from/to General Reserve, as determined by the Board of Directors. During the year, the Company has withdrawn ₹ 280 crore (previous year ₹ 1,205 crore) to offset additional depreciation/amortisation on account of fair valuation of certain assets which may be considered to override the relevant provisions of Schedule II of the Act and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Our opinion is not qualified in respect of this matter.

   b. We further draw your attention to Note 2.11 of the abridged standalone Ind AS financial statements regarding the Scheme of Arrangement ('the Scheme') sanctioned by the Hon'ble High Court of Judicature at Mumbai. The Scheme permits the Company to adjust expenses and/or losses identified by the Board of Directors, which are required to be debited to the Statement of profit and loss by a corresponding withdrawal from General Reserve, which is considered to be an override to the relevant provisions of Ind AS 8. The Company has identified net foreign exchange variations of ₹ 25 crore (previous year ₹ 8 crore), amortization of Foreign Currency Monetary Items Translation Difference Account (FCMITDA) of ₹ 252 crore (previous year ₹ 238 crore) and depreciation on exchange losses capitalised of ₹ 221 crore (previous year ₹ 433 crore), as in the opinion of the Board, such exchange losses and depreciation are considered to be of an exceptional nature and accordingly, these expenses have been met by corresponding withdrawal from General Reserve. Our opinion is not qualified in respect of this matter.

Had the effect of paragraphs (a) and (b) above, not been met from General Reserve, the Company would have reflected a loss after tax for the year of ₹ 16,546 crore (previous year ₹ 3,680 crore).

c. We draw attention to Note 2.02 of the abridged Standalone Ind AS financial statements, regarding the Definitive Binding Agreement for monetization of assets of the company and its subsidiaries and National Company Law Appellate Tribunal (NCLAT) order dated 30 May 2018 staying NCLT order dated 15 May 2018 admitting the Company under Insolvency and Bankruptcy Code (IBC), 2016. The Company is confident that suitable resolution plan would be formulated by lenders in view of order admitting the Company under IBC proceedings is vacated/stayed, accordingly financial statements of the Company have been prepared on going concern basis.Our opinion is not modified in respect of above matters.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

Independent Auditor's Report on Financial Statements

To
The Members of Reliance Communications Limited

1. Report on the Standalone Ind AS Financial Statements

   We have audited the accompanying standalone Ind AS financial statements of Reliance Communications Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

2. Management's Responsibility for the Standalone Ind AS Financial Statements

   The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under.

   This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

   Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

   An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. Basis for Qualified Opinion

   We draw attention to note 2.50 of the standalone Ind AS financial statements regarding non provision of interest on borrowings amounting to ₹ 3,055 crore for the year ended 31 March 2018 for the reason provided by the management therein. Had such interest been provided then the reported loss for the year ended 31st March, 2018 would have been ₹ 12,925 crore and networth of the Company would have been ₹ 6,261 crore.

5. Qualified Opinion

   In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March 2018 and it's loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

6. Emphasis of Matters

   a. We draw your attention to Note 2.34.1 (vi) of the standalone Ind AS financial statements regarding the Scheme of Arrangement ('the Scheme') sanctioned on 03 July 2009 by the Hon'ble High Court of Judicature at Mumbai. The Company is permitted to adjust additional depreciation and amortisation, expenses and/or losses, which have been or are required to be debited to the Statement of profit and loss by a corresponding withdrawal or credit from/to General Reserve, as determined by the Board of Directors. During the year ended the company has withdrawn ₹ 280 crore (previous year ₹ 1205 crore) to offset additional depreciation/ amortisation on account of fair valuation of certain assets which may be considered to override the relevant provisions of Schedule II of the Act and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Our opinion is not qualified in respect of this matter

   b. We further draw attention to Note 2.41 of the standalone Ind AS financial statements regarding the Scheme of Arrangements ('the Scheme') sanctioned by the Hon'ble High Court of Judicature at Mumbai and Gujarat. These schemes permit the Company to adjust expenses and/or losses identified by the Board of Directors, which are required to be debited to the Statement of profit and loss by a corresponding withdrawal from General Reserve and Reserve for Business Restructuring, which is considered to be an override to the relevant provisions of Ind AS 8. The Company has identified net foreign exchange gain of ₹ 25 crore (previous year net foreign exchange ₹ 8 crore), amortisation of Foreign Currency Monetary Items Translation Account (FCMITDA) ₹ 252 crore (previous year ₹ 238 crore), depreciation on exchange losses capitalised of ₹ 221 crore (previous year ₹ 433 crore) and impairment charge arising on account of asset held for sale and dimunition in the value of investments ₹ 5,948 crore (previous year ₹ Nil crore), as in the opinion of the Board, such exchange variations are considered to be of an exceptional nature and accordingly, these expenses have been met by corresponding withdrawal from General Reserve and Reserve for Business Restructuring. Our opinion is not qualified in respect of this matter Had the effect of paragraphs (a) and (b) above, not been met from General Reserve and Reserve for Business Restructuring, the Company would have reflected a loss after tax for the year of ₹ 16,546 crore (previous year ₹ 3,680 crore).

c. We draw attention to Note 2.50 of the Standalone Ind AS financial statement, regarding the Definitive Binding Agreement for monetization of assets of the company and its subsidiaries and National Company Law Appellate Tribunal (NCLAT) order dated 30 May 2018 staying NCLT order dated 15 May 2018 admitting the Company under Insolvency and Bankruptcy Code (IBC), 2016. The Company is confident that suitable resolution plan would be formulated by lenders in view of order admitting the Company under IBC proceedings is vacated/stayed, accordingly financial statements of the Company have been prepared on going concern basis.

Our opinion is not modified in respect of above matters.

7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by sub-section 3 of Section 143 of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, except requirement of Ind AS 23 on "Borrowing Cost" with regard to matters described in the Basis of Qualified Opinion paragraph above and read with Emphasis of Matter paragraph above, regarding exercise of option available as per the Court Order which overrides the requirement of Ind AS 8;

(e) The going concern matter described in paragraph 6 (c) under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(f) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 2.37 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

'Annexure A' to the Independent Auditor's Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the Members of Reliance Communications Limited ('the Company') on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) We are informed that the Company physically verifies its assets over a three year period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this policy, the Company has physically verified certain fixed assets during the year and no material discrepancies were identified on such physical verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2.01 to the standalone Ind AS financial statements, are held in the name of the Company, except for the following where the Company is in the process of transferring the title deeds in it's name as these were acquired through various schemes of arrangement entered in the earlier years:

Particulars	Freehold land	Building
No of cases	18	4
Gross block as at 31 March 2018 (₹ in crores)	3	4
Net block as at 31 March 2018 (₹ in crores)	3	3

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph (iii) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the applicable provisions of Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act, in respect of telecommunication activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, goods and services tax, duty of customs, sales tax, value added tax (VAT), entry tax, employees' state insurance, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been delay in certain cases. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income tax, service tax, goods and services tax, duty of customs, sales tax, value added tax, entry tax, employees' state insurance, cess and other material statutory dues which were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable are as under:

Name of Statute	Nature of Dues	Amount (₹ In Crore)	Period to which the amount relates	Due Date	Date of Payment
Goods and Service Tax Act, 2017	Goods and Service Tax Payable	78.59	Jul-17	20-Aug-17	Unpaid
Goods and Service Tax Act, 2017	Goods and Service Tax Payable	62.41	Aug-17	20-Sep-17	Unpaid
Maharastra Value Added Tax Act, 2002	Value Added Tax Payable	0.36	FY 2017-18	Various Dates	Unpaid
Delhi Value Added Tax Act, 2004	Value Added Tax Payable	0.04	FY 2017-18	Various Dates	Unpaid
Karnataka Value Added Tax Act, 2003	Value Added Tax Payable	0.05	FY 2017-18	Various Dates	Unpaid
Orissa Value Added Tax Act, 2004	Value Added Tax Payable	0.00	FY 2017-18	Various Dates	Unpaid

Name of Statute	Nature of Dues	Amount (₹ In Crore)	Period to which the amount relates	Due Date	Date of Payment
West Bengal Added Tax Act, 2003	Value Added Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Maharastra Value Added Tax Act, 2002	Works Contract Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Rajasthan Value Added Tax Act, 2003	Works Contract Tax Payable	0.03	FY 2017-18	Various Dates	Unpaid
Income Tax Act, 1961	Tax Deducted at source	18.88	Jul-17	7-Aug-17	Unpaid
Income Tax Act, 1961	Tax Deducted at source	0.03	Aug-17	7-Sep-17	Unpaid

(b) According to the information and explanations given to us, there are no dues of cess which have not been deposited on account of any dispute. The dues of income tax, duty of customs, service tax, sales tax, value added tax and entry tax as disclosed below have not been deposited by the Company on account of disputes:

Name of Statue	Nature of Dues	Amount* (₹ In Crore)	Period	Forum
Central Sales Tax, Bihar	Central Sales Tax	0.04	2005-06	Appellate Tribunal
		0.43	2011-12	Asst. Commissioner of Commercial Taxes
Central Sales Tax, Chattisgarh	Central Sales Tax	0.00	2011-12	Dy. Commissioner (Appeals)
Central Sales Tax, Madhya Pradesh	Central Sales Tax	0.03	2011-12 to 2013-14	Dy. Commissioner (Appeals)
Central Sales Tax, Maharashtra	Central Sales Tax	0.27	2011-12	Dy. Commissioner of Sales Tax
		0.35	2013-14	Dy. Commissioner of Sales Tax
Central Sales Tax, Orissa	Central Sales Tax	0.00	2009-10	Addl. Commisoner (Appeals)
		0.02	Oct '06 to March '09	Sales Tax Appellate Tribunal
Central Sales Tax, Uttar Pradesh	Central Sales Tax	0.07	2006-07	High Court
		0.08	2010-11	Additional Commissioner (Appeals)
		0.50	2013-14	Dy. Commisioner of Commercial Taxes
		1.25	2014-15	Dy. Commisioner of Commercial Taxes
Central Sales Tax, Uttarakhand	Central Sales Tax	0.12	2009-10 to 2010-11	Dy. Commissioner of Commercial Taxes
		0.14	2012-13	Jt. Commisioner of Commercial Taxes (Appeals)
Central Sales Tax, West Bengal	Central Sales Tax	0.34	2007-08	Tax Revision Board
		0.36	2014-15	Jt.Commisioner Commercial Taxes
Central Sales Tax, Punjab	Central Sales Tax	0.05	2010-11	Dy. Excise and Taxation Commissioner (Appeals)
Entry Tax, Bihar	Entry Tax	0.38	2007-08 to 2008-09	Commercial Tax Tribunal
		0.25	2011-12	Asst. Commissioner of Commercial Taxes
Entry Tax, Chattisgarh	Entry Tax	0.63	2006-07 to 2007-08	Dy. Commissioner (Appeals)
		0.25	2010-11 to 2011-12	Dy. Commissioner (Appeals)
Entry Tax, Himachal Pradesh	Entry Tax	1.01	2011-11 to 2013-14	High Court
Entry Tax, Madhya Pradesh	Entry Tax	0.48	2002-03 to 2003-04	Asst. Commissioner of Commercial Taxes

'Annexure A' to the Independent Auditor's Report – 31 March 2018

Name of Statue	Nature of Dues	Amount* (₹ In Crore)	Period	Forum
		1.58	2005-06 to 2008-09 & 2010-11	MP Taxation Board
		0.21	2011-12	Dy. Commissioner (Appeals)
Entry Tax, Orissa	Entry Tax	0.08	2009-10	Addl. Commisoner (Appeals)
		0.05	Oct 06-March 09	Sales Tax Appellate Tribunal
Entry Tax, Uttar Pradesh	Entry Tax	0.13	2003-04	Commercial Tax Tribunal
		0.02	2013-14	Dy. Commisioner of Commercial Taxes
		0.02	2014-15	Dy. Commisioner of Commercial Taxes
Entry Tax, West Bengal	Entry Tax	0.17	2014-15	Jt.Commisioner Commercial Taxes
Entry Tax, Rajasthan	Entry Tax	1.70	2013-14 to 2014-15	Appellate Authority
		14.73	2005-06, 2007-08 to 2012-13	Supreme Court
Entry Tax, Jammu & Kashmir	Entry Tax	9.69	2008-09 to 2011-12	High Court
Entry Tax, Punjab	Entry Tax	0.01	Oct 2012 to Dec 2012	High Court
VAT, Bihar	VAT	0.24	2005-06	Commercial Tax Tribunal
		8.33	2011-12	High Court
VAT, Haryana	VAT	1.15	2011-12	Commercial Tax Tribunal
VAT, Kerala	VAT	0.01	2006-07	Deputy Commisoner (Appeals)
		2.79	2010-11	High Court
		0.02	2011-12	Deputy Commisoner (Appeals)
		0.32	2012-13	High Court
		2.80	2013-14	High Court
		2.15	2014-15	High Court
VAT, Punjab	VAT	0.05	2010-11	Deputy Commisoner (Appeals)
VAT, Uttarakhand	VAT	0.78	2009-10 to 2010-11	Dy. Commissoner of Commercial Taxes
		0.03	2007-08	Jt. Commisioner (Appeals)
		0.41	2012-13	Jt. Commissioner of Commercial Taxes (Appeals)
VAT, West Bengal	VAT	4.17	2005-06,2007-08 to 2008-09	Tax Revision Board
		0.03	2012-13	Jt. Commisioner of Commercial Taxes (Appeals)
		0.02	2014-15	Jt. Commisioner Commercial Taxes
VAT/Sales Tax, Uttar Pradesh	VAT/Sales Tax	0.24	2003-04	UP Trade Tax Tribunal
		0.93	2004-05	High Court

'Annexure A' to the Independent Auditor's Report – 31 March 2018

Name of Statue	Nature of Dues	Amount* (₹ In Crore)	Period	Forum
		0.52	2005-06, Jan 08 to March 08	Dy. Commissioner of Commercial Taxes
		0.20	2010-11	Addl. Commisoner (Appeals)
		2.38	2013-14	Dy. Commissioner of Commercial Taxes
		1.83	2014-15	Dy. Commisioner of Commercial Taxes
VAT, Chattisgarh	VAT	0.02	2011-12	Dy. Commisooner (Appeals)
Finance Act, 1994	CENVAT Credit	2.60	01.04.2004 to 31.03.2015	Commisoner, CGST & Central Excise
		3.33	01.4.2010 to 31.03.2014	Commisoner, CGST & Central Excise
		1.32	2014-15	CESTAT
Income Tax Act, 1961	Income Tax	2.76	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2.52	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.34	2011-12	Joint Commissioner of Income Tax

*Net of amounts paid under protest.

(viii) (a) The Company has defaulted in repayment of following dues to the financial institution, banks and debentures, which were paid on or before the Balance Sheet date:

Name of Lender	Amount (₹ in crore) Borrowings	Amount (₹ in crore) Interest	Period (Maximum days) Borrowings	Period (Maximum days) Interest
Loan from Banks				
Axis Bank	100	5	87	80
Bank of Baroda	-	24	-	87
Bank of India	-	16	-	87
Bank of Maharashtra	27	-	85	-
Canara Bank	59	8	25	25
Central Bank of India	-	6	-	87
Corporation Bank	-	5	-	87
Credit Agricole Corporate & Investment Bank	-	1	-	14
DBS Bank	112	4	60	7
Deutsche Bank	180	4	82	7
HDFC Bank	56	-	18	-
China Development Bank	768	7	305	197
Industrial and Commercial Bank of China	130	7	305	197
Export Import Bank of China	264	7	305	197
IDBI Bank	-	18	-	87
Indian Overeseas Bank	-	3	-	87
IndusInd Bank	1,500	26	59	61
Oriental Bank of Commerce	-	4	-	87
Punjab National Bank	70	-	169	-
Standard Chartered Bank	293	3	111	56
State Bank of India	-	40	-	87
Syndicate Bank	-	9	-	87
UCO Bank	-	17	-	87
Union Bank of India	-	5	-	3
United Bank of India	13	4	147	87
Yes Bank	71	6	92	112
Debenture				
Life Insurance Corporation of India	375	72	62	40

'Annexure A' to the Independent Auditor's Report – 31 March 2018

Name of Lender	Amount (₹ in crore) Borrowings	Amount (₹ in crore) Interest	Period (Maximum days) Borrowings	Period (Maximum days) Interest
Other Loans			–	
India Infrastructure Finance Corporation Limited	–	2	–	88
Reliance Cleangen Limited	–	9	–	21
Total	**4,018**	**312**		

(b) The Company has defaulted in repayment of following dues to the financials institution, banks and debenture holders during the year, which were not paid as at Balance Sheet date:

Name of Lender	Amount (₹ in crore) Borrowings	Amount (₹ in crore) Interest	Period (Maximum days) Borrowings	Period (Maximum days) Interest
Loan from Banks				
Ahli United Bank B.S.C.	98	–	111	–
Bank of Baroda	802	11	389	366
Bank of India	280	9	366	366
Bank of Maharashtra	473	–	318	–
Canara Bank	237	–	275	–
Central Bank of India	112	3	366	366
Corporation Bank	266	8	388	366
Credit Agricole Corporate & Investment Bank	192	–	377	–
DBS Bank	300	–	185	–
Dena Bank	250	–	53	–
Deutsche Bank	391	1	111	284
China Development Bank	2,185	128	398	398
Industrial and Commercial Bank of China	551	33	398	398
Export Import Bank of China	814	47	398	398
IDBI Bank	331	9	370	366
Indian Overeseas Bank	52	1	366	366
Oriental Bank of Commerce	91	2	366	366
Punjab National Bank	593	–	367	–
Standard Chartered Bank	1,072	–	355	–
State Bank of India	1,258	21	366	366
Syndicate Bank	423	5	389	366
UCO Bank	296	9	366	366
Union Bank of India	599	3	366	366
United Bank of India	341	2	366	366
Debenture				
Life Insurance Corporation of India	375	–	53	–
Other Loans				
Industrial Finance Corporation of India Limited	125	4	382	382
India Infrastructure Finance Corporation Limited	4	4	183	397
Reliance Capital Limited	–	3	–	366
Reliance Unicorn Enterprise Private Limited	–	53	–	366
Reliance Cleangen Limited	–	14	–	366
Kunjbihari Developers Private Limited	–	1	–	366
Total	**12,511**	**371**		

(c) During the year, there was a delay of 11days in case of installment payment of ₹ 22 crore to Department of Telecommunications. Further, as at March 31, 2018, ₹ 281 crore was outstanding, delayed by 10 days which was subsequently paid.

'Annexure A' to the Independent Auditor's Report – 31 March 2018

(ix) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans, prima facie, have been utilized for the purpose for which these were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided total managerial remuneration amounting to ₹ 2 crore to the managerial person of the company and the company is in process getting requisite approval of shareholders in ensuing annual general meeting.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, however the company has issued equity shares to Sistema Shyam Teleservices Limited in terms of Scheme of Demerger sanctioned by the Hon'ble High Court of Judicature of Bombay and Jaipur.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

'Annexure B' to the Independent Auditor's Report – 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Reliance Communications Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

Abridged Balance Sheet as at March 31, 2018
(Statement containing the salient features of Balance Sheet as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ in crore)

		As at March 31, 2018		As at March 31, 2017	
ASSETS					
Non Current Assets					
(a)	Property, Plant and Equipment	2,126		14,751	
(b)	Capital Work in Progress	160		1,130	
(c)	Intangible Assets	104		13,797	
(d)	Intangible assets under development	-		66	
(e)	Investment in Subsidiaries and Associates - Unquoted	13,559		17,090	
(f)	Financial Assets				
	(i) Other Financial Assets	11		72	
(g)	Income Tax Assets (net)	197		227	
(h)	Deferred Tax Assets (net)	3,558		3,558	
(i)	Other Non Current Assets	956	**20,671**	5,167	**55,858**
Current Assets					
(a)	Inventories	64		108	
(b)	Financial Assets				
	(i) Investments - Quoted ₹ 30,52,000 (Previous year ₹ 29,79,205)	-		-	
	- Unquoted	4,225		4,599	
	(ii) Trade Receivables	1,672		1,636	
	(iii) Cash and Cash Equivalents	147		455	
	(iv) Bank balances other than (iii) above	54		188	
	(v) Loans	3,640		6,215	
	(vi) Other Financial Assets	126		385	
(c)	Other Current Assets	4,162		4,445	
(d)	Assets Held for Sale	21,188	**35,278**	-	**18,031**
TOTAL ASSETS			**55,949**		**73,889**
EQUITY AND LIABILITIES					
Equity					
(a)	Equity Share Capital	1,383		1,244	
(b)	Other Equity	7,933	**9,316**	22,840	**24,084**
Liabilities					
Non Current Liabilities					
(a)	Financial Liabilities				
	(i) Borrowings	9,359		18,629	
	(ii) Deferred Payment Liabilities	-		1,407	
	(iii) Other Financial Liabilities	-		269	
(b)	Other Non Current Liabilities	83		87	
(c)	Provisions	18	**9,460**	31	**20,423**
Current Liabilities					
(a)	Financial Liabilities				
	(i) Borrowings	18,595		7,928	
	(ii) Trade Payables	3,110		2,435	
	(iii) Other Financial Liabilities	9,257		17,131	
(b)	Other Current Liabilities	850		666	
(c)	Provisions	1,219		1,222	
(d)	Liabilities directly related to Assets Held for Sale	4,142	**37,173**	-	**29,382**
TOTAL EQUITY AND LIABILITIES			**55,949**		**73,889**

Refer Significant Accounting Policies
Refer Notes on Accounts
Compiled from the Audited Accounts of the Company referred to in our Report dated May 30, 2018

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Abridged Statement of Profit and Loss for the year ended March 31, 2018
(Statement containing the salient features of Statement of Profit and Loss as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ in crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
1	**INCOME**		
(a)	Revenue from Operations	**2,231**	3,537
(b)	Other Income	**-**	-
(c)	**Total Income [(a)+(b)]**	**2,231**	3,537
2	**EXPENSES**		
(a)	Access Charges	**805**	1,789
(b)	License Fees and Network Expenses	**826**	1,117
(c)	Employee Benefits Expenses	**28**	37
(d)	Finance Cost	**-**	-
(e)	Depreciation, Amortisation and Provision for Impairment	**200**	216
(f)	Sales and General Administration Expenses	**308**	247
(g)	**Total Expenses ((a) to (f))**	**2,167**	3,406
3	**Profit before Exceptional items and Tax (1(c) - 2(f))**	**64**	131
4	**Exceptional Items**		
	Provision for diminution in the value of Investment	**3,000**	-
	Amount withdrawn from General Reserve II	**(2,785)**	-
	Amount withdrawn from General Reserve III	**(215)**	-
5	**Profit before Tax (3 - 4)**	**64**	131
6	**Tax Expenses**		
(a)	- Current Tax	**-**	-
(b)	- Short provision for earlier years	**1**	-
(c)	- Deferred Tax Charge/ (Credit)	**-**	(94)
(d)	**- Tax Expenses / Credit (net) [(a) to (c)]**	**1**	(94)
7	**Profit after Tax (5-6)**	**63**	225
8	**Profit/ (Loss) before Exceptional Items and Tax from Discontinued Operations**	**(2,978)**	(3,986)
9	**Exceptional Items** (Refer note 2.11)		
	Provision for impairment of Assets held for Sale / diminution in the value of Investments	**9,903**	-
	Amount withdrawn from General Reserve III	**(1,661)**	
	Amount withdrawn from Reserve for Business Restructuring	**(1,287)**	-
	Depreciation and Amortisation of Assets	**280**	1,205
	Equivalent amount withdrawn from General Reserve III	**(280)**	(1,205)
	Depreciation on account of change in exchange rate	**221**	433
	Equivalent amount withdrawn from General Reserve III	**(221)**	(433)
	Foreign Currency Exchange Fluctuation Loss (net)	**227**	246
	Equivalent amount withdrawn from General Reserve III	**(227)**	(246)
10	**Profit/ (Loss) before Tax from Discontinued Operations (8-9)**	**(9,933)**	(3,986)
11	Tax Expenses/(Credit) of Discontinued Operations	**-**	(1,965)
12	**Profit/ (Loss) after Tax from Discontinued Operations (10-11)**	**(9,933)**	(2,021)
13	**Other Comprehensive Income/(Loss)**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of Gain / (Loss) of defined benefit plans (net of tax)	**3**	(1)
14	**Total Comprehensive Income/(Loss) (7+ 12 + 13)**	**(9,867)**	(1,797)
15	**Earnings per Share of face value of ₹ 5 each fully paid up**		
	(after exceptional items) (Basic and Diluted) (Refer Note 2.10)		
	Continuing Operations	**0.24**	0.91
	Discontinued Operations	**(38.46)**	(8.19)
	Continuing and Discontinued Operations	**(38.22)**	(7.28)

Refer Significant Accounting Policies
Refer Notes on Accounts
Compiled from the Audited Accounts of the Company referred to in our Report dated May 30, 2018

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Abridged Statement of Changes in Equity for the year ended March 31, 2018

(₹ in crore)

(a) Equity Share Capital	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	**1,244**	1,244
Change in equity share capital during the year – under Scheme of Demerger (Refer Note 2.04.2)	**139**	-
Balance at the end of the year	**1,383**	1,244

(b) Other Equity

(₹ in crore)

Particulars	Attributable to the equity holders – Reserves and Surplus: Capital Reserve	Securities Premium	General Reserve**	Reserve for Business Restructuring	Debenture Redemption Reserve	Retained Earnings	Treasury Equity	FCMITDA ***	Other Comprehensive Income: Remeasurement of defined benefit plans	Total
Balance as at April 01, 2016	-*	13,894	16,970	1,287	590	(5,365)	(391)	(778)	(1)	26,206
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(1,796)	-	-	-	(1,796)
Other Comprehensive Income	-	-	-	-	-	-	-	-	(1)	(1)
Transfer to Statement of Profit and Loss	-	-	(1,884)	-	-	-	-	-	-	(1,884)
Movement in FCMITDA								315		315
Balance as at March 31, 2017	-*	13,894	15,086	1,287	590	(7,161)	(391)	(463)	(2)	22,840
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(9,870)	-	-	-	(9,870)
Other Comprehensive Income	-	-	-	-	-	-	-	-	3	3
Transfer to Statement of Profit and Loss	-	-	(5,389)	(1,287)	-	-	-	-	-	(6,676)
Movement in FCMITDA	-	-	-	-	-	-	-	239	-	239
Under scheme of demerger (Refer Note 2.04.2)	1,397	-	-	-	-	-	-	-	-	1,397
Balance as at March 31, 2018	**1,397**	**13,894**	**9,697**	**-**	**590**	**(17,031)**	**(391)**	**(224)**	**1**	**7,933**

* ₹ 5,00,000

** General Reserve includes General Reserve -I, II and III

*** FCMITDA: Foreign Currency Monetary Items Translation Difference Account

Compiled from the Audited Accounts of the Company referred to in our Report dated May 30, 2018

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Abridged Statement of Cash Flow for the year ended March 31, 2018

(₹ in crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
A	**Cash flow from/ (used in) Operating Activities**	**(1,554)**	(241)
B	**Cash flow from/ (used in) Investing Activities**	**3,974**	316
C	**Cash flow generated from/ (used in) Financing Activities**	**(2,528)**	249
	Net Increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	**(108)**	324
	Opening Balance of Cash and Cash Equivalents	**255**	(69)
	Effect of Exchange Gain on Cash and Cash Equivalent ₹ 12,29,851 (Previous year ₹ 19,646)	-	-
	Closing Balance of Cash and Cash Equivalents	**147**	255

	April 1, 2017	Cashflow	Foreign Exchange Movement	Taken over under Scheme	Transaction Cost	March 31, 2018
Borrowings	36,593	(1,632)	67	678	170	35,876

Notes

(a) Figures in brackets indicate cash outgo.

(b) Cash and cash equivalents includes cash and cheques on hand, remittances-in-transit and bank balances including Fixed Deposits with Banks.

(c) Statement of Cash Flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".

(d) Break up of Cash and Cash Equivalents	As at March, 2018	As at March, 2017
(i) Cash and Cash Equivalents	**147**	455
(ii) Less: Bank overdraft	-	200
(iii) Cash and Cash Equivalents (net) as per Ind AS 7	**147**	255

Note : Complete Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, other statements and notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's website www.rcom.co.in. Copy of financial statement is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of Annual General Meeting.

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Significant Accounting Policies to the Abridged Financial Statements

Note 1
General Information and Significant Accounting Policies

1.01 General Information

Reliance Communications Limited ("RCOM" or "the Company") is registered under the Companies Act, 1956 having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 and its securities are listed on the BSE Limited and the National Stock Exchange of India Limited.

RCOM has established a pan-India, next generation, digital network that is capable of supporting best-of-class services spanning the entire communications value chain. RCOM owns and operate the world's largest next generation IP enabled connectivity infrastructure, comprising of fibre optic cable systems in India and globally.

1.02 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 in compliance with the Indian Accounting Standards (Ind AS) specified under Section 133 the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015,the Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind AS and in Schedule III to the Act. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Recent Accounting developments

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs (the MCA), Government of India (GoI) notified Ind AS 115 'Revenue from Contracts with Customers'. The standard is applicable to the Company with effect from April 1, 2018.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 proposes a change from the age-old transfer of 'Risk And Rewards' to a 'Control' model. Under Ind AS 115, revenue is recognised when control over goods or services is transferred to a customer, which under current GAAP is based on the transfer of risks and rewards. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

The entities will have to determine whether revenue should be recognised 'over time' or 'at a point in time'. As a result, it will be required to determine whether control is transferred over time. If not, only then revenue will be recognised at a point in time, or else over time. Ind AS 115 focuses mainly on what the customer expects from a supplier under a contract. Companies will have to necessarily determine if there are multiple distinct promises in a contract or a single performance obligation (PO). These promises may be explicit, implicit or based on past customary business practices. The consideration will then be allocated to multiple POs and revenue recognised when control over those distinct goods or services is transferred.

The entities may agree to provide goods or services for consideration that varies upon certain future events which may or may not occur. This is variable consideration, a wide term and includes all types of negative and positive adjustments to the revenue. This could result in earlier recognition of revenue compared to current practice – especially impacting industries where revenue is presently not recorded untill all contingencies are resolved. Further, the entities will have to adjust the transaction price for the time value of money. Where the collections from customers are deferred the revenue will be lower than the contract price, and interestingly in case of advance collections, the effect will be opposite resulting in revenue exceeding the contract price with the difference accounted as a finance expense. This may impact entities having significant advance or deferred collection arrangements e.g. real estate infrastructure, EPC, IT Services etc.

Ind AS 21: The effect of changes in foreign exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

These amendments do not have any significant impact on financial statements.

1.04 Functional Currency and Presentation Currency

These financial statements are presented in Indian Rupees ("Rupees" or "₹") which is functional currency of the Company. All amounts are rounded off to the nearest crore, unless stated otherwise.

Significant Accounting Policies to the Abridged Financial Statements

1.05 Use of Estimates

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent 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 is recognised in the period in which the results are known/ materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgments pertaining to useful life of property, plant and equipment including intangible asset, current tax expense and tax payable, recognition of deferred tax assets for carried forward tax losses, fair value of unlisted securities, impairment of trade receivables and other financial assets, assets held for sale, liabilities held for sale and measurement of defined benefit obligation (Note 2.14). Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(i) Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

(iii) Fair value measurement and valuation process: The Company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

(iv) Trade receivables and Other Financial Assets: The Company follows a 'simplified approach' (i.e. based on lifetime Expected Credit Loss ("ECL")) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectable.

(v) Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

(vii) Determination of net realisable value for Assets held for Sale and related liabilities.

(viii) Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.06 Property, Plant and Equipment

(i) Property, plant and equipment (PPE) are stated at cost net of Modvat/ Cenvat/ GST less accumulated depreciation, amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(ii) Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

(iii) As per Para 46A of Accounting Standard 11, 'The Effects of Changes in Foreign Exchange Rates', related to acquisition of depreciable assets pursuant to the notifications dated December 29, 2011 and August 9, 2012 issued by Ministry of Corporate Affairs (MCA), under the Companies (Accounting Standard) (Second Amendment) Rules 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets is capitalised and subsequently on adoption of Indian Accounting Standard also the same is allowed for the transactions recorded upto March 31, 2016.

(iv) On transition to Ind AS, the Company had elected the option of fair value as deemed cost for certain Land and Buildings and Plant and Machinery, as on the date of transition. Other Tangible Assets were restated retrospectively.

(v) Depreciation is provided on Straight Line Method based on the useful life prescribed in Schedule II to the Act except in case of the following assets where useful life is different than those that are prescribed in Schedule II, based on technical evaluation.

(a) Telecom Electronic Equipments - 20 years
(b) Optic Fibre Cable - 35 years
(c) Batteries - 9 years
(d) Customer Premises Equipments - 3 years
(e) Vehicles - 5 years

(vi) Leasehold Land is depreciated over the period of the lease term.

(vii) Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of Profit or Loss.

(viii) Depreciation methods, useful lives and residual values are reviewed periodically at each reporting date and adjusted prospectively if appropriate.

(ix) Depreciation on all the assets capitalised pursuant to para 46A of AS 11 is provided over the remaining useful life of the depreciable capital asset.

(x) Depreciation on additions is calculated pro rata from the following month of addition.

(xi) Expenses incurred relating to project, prior to commencement of commercial operations, are considered as project development expenditure and shown under Capital Work in Progress.

1.07 Intangible Assets

(i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.

(ii) Telecom Licenses are stated at cost as applicable less accumulated amortisation less impairment, if any.

(iii) Indefeasible Rights of Connectivity (IRC) are stated at cost less accumulated amortisation.

(iv) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(v) Intangible assets, namely Entry Fees/ fees for Telecom Licenses and Brand License are amortised on the basis of Straight Line Method, over the balance period of Licenses. IRC and Software are amortised from the date of acquisition or commencement of commercial services, whichever is later.

(vi) There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets is as follows.

(a) Telecom Licenses - 12.5 to 20 years
(b) Brand License - 10 years
(c) Indefeasible Right of Connectivity - 15, 20 years
(d) Software - 5 years

Significant Accounting Policies to the Abridged Financial Statements

(vii) Amortization method, useful life and residual values are reviewed periodically at each reporting period.

(viii) Any gain or loss on disposal of an item of Intangible Assets is recognised in the Statement of Profit and Loss.

(ix) On transition to Ind AS, the Company elected the option of fair value as deemed cost for certain Telecom Licenses as on the date of transition. Other Intangible Assets were restated retrospectively.

1.08 Lease

(i) In respect of Operating Leases, lease rent is expensed on Straight Line basis with reference to the term of lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and except for lease rent pertaining to the period upto the date of commencement of commercial operations, which is capitalised.

Where the lessor effectively retains substantially all risks and benefits of the ownership of the leased assets, lease is classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

(ii) In respect of Finance Leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as PPE with corresponding amount shown as the liabilities for the leased assets. The principal component in lease rental in respect of the above is adjusted against the liabilities for the leased assets and interest component is recognised as an expense in the year in which the same is incurred except in case of the assets used for capital projects where it is capitalised.

1.9 Non Current Assets held for Sale and discontinued operations

Non current assets (or disposal group) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction. Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and/ or fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets and sale is expected to be concluded within twelve months from the date of such classification.

Assets and liabilities classified as held for sale are presented separately in the balance sheet. A disposal group qualifies as discontinued operations if it is a component of the company that either has been disposed off or is classified as held for sale, and; represents a separate major line of business or geographical area of operations, or part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or a subsidiary acquired exclusively with a view to resale. Non-current assets are not depreciated or amortised while they are classified as held for sale.

When the group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described are met, regardless of whether the group will retain a non controlling interest in its former subsidiary after the sale.

Loss is recognised for any initial or subsequent write down of such non current assets (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell an asset (or disposal group) but not in excess of any cumulative loss previously recognised.

If the criteria for assets held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation or any amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a Subsidiary acquired exclusively with a view to resale. The results of discontinued operations or presented separately in the Statement of Profit and Loss.

1.10 Impairment of Non Financial Assets

Intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is increased/ reversed where there has been change in the estimate of recoverable value. The recoverable value is the higher of the assets' net selling price and value in use.

1.11 Inventories of Stores and Spares

Inventories of stores and spares are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

1.12 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the period.

Long term employee benefits

(i) Defined contribution plan

The Company's contribution towards Employees' Superannuation Plan is recognised as an expense during the period in which it accrues.

(ii) Defined benefit plans

Provident Fund

Provident Fund contributions are made to a Trust administered by the Trustees. Interest payable to the Provident Fund members, shall not be at a rate lower than the statutory rate. Liability is recognised for any shortfall in the income of the fund vis-à-vis liability of the interest as per statutory rates to the members. The Company's contribution towards Employees' Provident Fund is recognised as an expense during the period in which it accrues.

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value, mortality rate and the fair value of plan assets is deducted. Mortality rate is based on publicly available mortality table in India.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

Obligation is measured at present value of the estimated future cash flows. Discount rates used for determining present value of obligation under the defined benefit plan, are based on market yield of Government Securities as at the balance sheet date that have terms approximating to the terms of the related obligation.

Remeasurement which comprise of actuarial gain and losses, the return of plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised in OCI.

Plan Assets of Defined Benefit Plans have been measured at fair value.

(iii) Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. Discount rates used for determining the present value of the obligation under the defined benefit plan, are based on the market yields of Government Securities as at the Balance Sheet date. Remeasurement gain and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

1.13 Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto 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 recognised as an expense in the year in which they are incurred.

1.14 Foreign Currency Transactions

(i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

(ii) Monetary items denominated in foreign currencies at the yearend are restated at the year end rates.

(iii) Non Monetary foreign currency items are carried at cost (i.e. translated using the exchange rates at the time of initial transactions).

(iv) Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which they arises except for;

(a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.

(b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in OCI and reclassified from equity to profit and loss on repayment of the monetary items.

(v) All long term foreign currency monetary items consisting of loans taken before March 31, 2016 and which relate to the acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the balance sheet date. Exchange difference including attributable to the interest arising as a result is added to or deducted from the cost of the assets as per notification dated December 29, 2011 and August 9, 2012 issued by the Ministry of Company Affairs (MCA), Government of India and depreciated over the balance life of the capital asset. Exchange difference on other long term foreign currency loans is accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" which will be amortized over the balance period of monetary assets or liabilities.

1.15 Revenue Recognition

(i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

(ii) Revenue is recognised as and when the services are provided 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 recognised over the estimated useful life of the subscribers and specified fixed validity period, as appropriate. The estimated useful life is consistent with estimated churn of the subscribers.

(iii) The Company sells rights of use (ROUs) that provide to the customers with network capacity, typically over a period of 5 to 20 years without transferring legal title or giving an option to purchase network capacity. Capacity services revenues are accounted as operating lease and recognised in the Company's income statement over the life of the contract. Bills raised on the customers/ payments received from the customers for long term contracts and for which revenue is not recognised are included in deferred revenue. Revenue on non cancellable ROUs are recognised as licensing income over the period of the contract

(iv) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition. Dividend is considered when right to receive is established. The Company recognises income from the units in the Fixed Income Schemes of Mutual Funds where income accrued is held till declaration or payment thereof for the benefit of the unit holders.

1.16 Taxes on Income and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or OCI.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the financial statement and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised.

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable that Company will be able to absorb such credit during the specified period.

1.17 Government Grants

Subsidies granted by the Government for providing telecom services in rural areas are recognised as other operating income in accordance with relevant terms and conditions of the scheme and agreement.

1.18 Provisions including Asset Retirement Obligation (ARO) and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined by discounting expected future cash flows at the pre tax rate that reflects current market assumptions of time value of money and risk specific to the liability. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Asset Retirement

Obligation (ARO) relates to removal of electronics equipments when they will be retired from its active use. Provision is recognised based on the best estimate, of the management, of the eventual costs (net of recovery), using discounted cash flow, that relates to such obligation and is adjusted to the cost of such assets. Estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Contingent Assets are neither recognised nor disclosed in the financial statements of the Company.

1.19 Earning per Share

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

1.20 Employee Stock Option Scheme

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period. Employee compensation cost recognised earlier on grant of options is reversed in the period when the options are surrendered by any employee or lapsed as per the terms of the scheme.

1.21 Treasury Equity

The Company has created an Employee Stock Option Scheme Trust (ESOS Trust) for providing share-based payment to its employees. The Company uses ESOS Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOS Trust buys shares of the Company from the market, for giving shares to employees. The Company treats ESOS Trust as its extension and shares held by ESOS Trust are treated as Treasury Equity.

Own equity instruments that are reacquired (Treasury Equity) are recognised at cost and deducted from equity. No gain or loss is recognised in Statement of Profit or Loss, on purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between carrying amount and consideration, if reissued, is recognised in equity.

1.22 Measurement of Fair value of financial instruments

The Company's accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred (Note 2.09.1) for information on detailed disclosures pertaining to the measurement of fair values.

1.23 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

Financial Assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Subsequent measurement :

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Financial Assets measured at Amortised Cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables."

Financial Assets measured at fair value through Other Comprehensive Income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

b) The contractual cash flows of the assets represent SPPI: Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets measured at fair value through Profit or Loss (FVTPL):

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch')

Equity Investments :

All equity investments in scope of Ind-AS 109, "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition which is irrevocable. If the company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Also, Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(iii) Derecognition of Financial Assets

A financial asset is primarily derecognised when: a) Rights to receive cash flows from the asset have expired, or b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Impairment of Financial Assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. Provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Financial liabilities at fair value through Statement of Profit or Loss: Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial Liabilities measured at Amortised Cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Notes on Accounts to Abridged Financial Statements

Note 2.01 (Note 2.31 of Annual Accounts)

Previous year

The figures of the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in Rupees in crore, except as otherwise stated.

Note 2.02 (Note 2.32 of Annual Accounts)

Going Concern

The Company was engaged with Joint Lenders' Forum (JLF), constituted on June 2, 2017 and under standstill period till December 2017 pursuant to the Strategic Debt Restructuring Scheme (SDR Scheme) of Reserve Bank of India (RBI). Consequent to circular of 12th February, 2018 of RBI, the Company continued to work closely with the Lenders to finalise an overall debt resolution plan. Pursuant to strategic transformation programme, as a part of debt resolution plan of the Company under consideration, inter alia of the Lenders, the Company and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), with the permission of and on the basis of suggestions of the Lenders, had for monetization of some specified Assets, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). Further, the Company has also entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited for sale of its subsidiary company having DTH Business. The Company and its said subsidiaries expected to close these transactions in a phased manner. In the meanwhile, Hon'ble National Company Law Tribunal (NCLT), Mumbai has, overruling the objections of the Company as also its lenders represented by State Bank of India, the lead member, vide its order dated May 15, 2018 admitted applications filed by an operational creditor for its claims against the Company and its subsidiaries; RTL and RITL and thereby admitted the companies to debt resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed vide NCLT's order dated May 18, 2018. The Company along with the support of the lenders filed an appeal with Hon'ble National Company Law Appellate Tribunal (NCLAT) challenging the order of NCLT admitting the Company to IBC proceedings. The Hon'ble NCLAT, vide its order dated May 30, 2018, stayed the orders passed by NCLT and consequently, the Board of the respective Companies stand reinstated. Further, Minority Shareholders holding 4.26% stake in RITL had accused the management of RITL of "Oppression of minority shareholders and mismanagement" and filed a petition in NCLT. Based on an amendment to the Petition, the NCLT stayed RITL's proposed asset sale (Tower and Fibre). The parties have subsequently settled the dispute and the restriction on sale stands vacated. The Company is confident that a suitable debt resolution plan would be formulated along with its lenders as per the strategic transformation programme. Considering these developments, the financial statements continue to be prepared on going concern basis.

Note 2.03 (Note 2.33 of Annual Accounts)

Foreign Currency Monetary Items; Long Term

In view of the option allowed pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs (MCA),Government of India, for the year ended on March 31, 2018, the Company has acculumated by ₹ 37 crore (Previous year reduced ₹ 182 crore) of exchange differences on long term borrowings relating to the acquisition of depreciable capital assets to the cost of capitalised assets. Further, the Company has acculumated foreign currency variations of ₹ 13 crore (Previous year reduced ₹ 77 crore) arising on other long-term foreign currency monetary items in FCMITDA and ₹ 252 crore (Previous year ₹ 238 crore) has been amortised during the year, leaving balance to be amortised over the balance period of loans.

Note 2.04 (Note 2.34 of Annual Accounts)

Schemes of Amalgamation and Arrangement

1. Pertaining to earlier years,

   The Company, during the earlier years, underwent various restructuring Schemes through Court including restructuring of ownership of telecom business so as to align the interest of the shareholders. Accordingly, pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of respective Judicature, the Company, during the respective years, recorded all necessary accounting effects, along with requisite disclosure in the notes to the accounts, in accordance with the provisions of the said Schemes. The cumulative effects of the Schemes in case of Equity Share Capital of the Company have been disclosed below the respective Notes to the Accounts. Reserves, pursuant to the said Schemes, include:

   (i) ₹ 8,047 crore being Securities Premium Account, which was part of the Securities Premium of erstwhile Reliance Infocomm Limited (RIC), the transferor company.

   (ii) General Reserve I of ₹ 5,538 crore (Previous year ₹ 5,538 crore) representing the unadjusted balance being the excess of assets over liabilities relatable to Telecommunications Undertaking transferred and vested into the Company.

   (iii) General Reserve II of ₹ Nil (Previous year ₹ 2,785 crore) representing the unadjusted balance of the excess of assets over liabilities received by the Company relatable to Telecommunications Undertaking transferred and vested into the Company.

(iv) General Reserve III comprises of ₹ 4,159 crore transferred to General Reserve from Statement of Profit and Loss and ₹ Nil (Previous year ₹ 2,603 crore) arising pursuant to Scheme of Amalgamation of erstwhile Reliance Gateway Net Limited and ₹ Nil (Previous year ₹ 1 crore) of erstwhile Global Innovative Solutions Private Limited.

(v) Reserve for Business Restructuring of ₹ Nil (Previous year ₹ 1,287 crore) represents revaluation of investment in RCIL, the Holding Company of RITL after withdrawing an amount equivalent to writing off passive infrastructure assets transferred to RITL to the Statement of Profit and Loss.

(vi) Additional depreciation of ₹ 280 crore (Previous year ₹ 1,205 crore) arising on fair value of the assets has been adjusted, consistent with the practice followed in earlier years, to General Reserve as permitted pursuant to the Scheme of Arrangement sanctioned vide an order dated July 3, 2009 by the Hon'ble High Court and as determined by the Board of Directors.

(vii) Also refer note 2.11 "Exceptional Items" below.

2 Pursuant to the Scheme of Demerger ("the Scheme") sanctioned by the Hon'ble High Court of Judicature at Bombay and at Jaipur, the Company has acquired Wireless undertaking of Systema Shyam Teleservices Limited (SSTL) with effect from October 31, 2017. Upon merger of Wireless undertaking of SSTL, ₹ 1,397 crore being excess of assets over liabilities taken over has been credited to Capital Reserve. The Company has also allotted 27,65,53,305 nos of Equity Shares of ₹ 5 each, on October 31, 2017, to Shareholders of SSTL.

Note 2.05 (Note 2.35 of Annual Accounts)

Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value.

The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

(₹ in crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Equity	**9,316**	24,084
(b)	Debt	**35,876**	36,593
(c)	Equity and Debt (a + b)	**45,192**	60,677
(d)	Capital Gearing Ratio (b / c)	**79%**	60%

Increasing capital gearing ratio reflects reduction in equity on account of net losses incurred during the year and withdrawal of depreciation / amortisation of fair value of assets and loss on account of change in exchange rates from General Reserve as permitted by the Court Scheme.

Note 2.06 (Note 2.36 of Annual Accounts)

Movement of Provisions (Current/ Non current)

(₹ in crore)

Particulars	**Current**		**Non Current**	
	For the year ended		**For the year ended**	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Provision for Employee Benefits				
Balances at the beginning of the period	**7**	7	**31**	23
Additional provision/(Reduction)	**(3)**	-	**(13)**	8
Balances at the close of the period	**4**	7	**18**	31
Others - Disputed and Other claims				
Balances at the beginning of the period	**1,215**	1,215	**-**	-
Additional provision/(Reduction)	**-**	-	**-**	-
Balances at the close of the period	**1,215**	1,215	**-**	-

Provisions include, provision for disputed claims of verification of customers ₹ 9 crore (Previous year ₹ 9 crore) and others of ₹ 1,206 crore (Previous year ₹ 1,206 crore). The aforesaid provisions shall be utilised on settlement of the claims, if any, there against.

Notes on Accounts to Abridged Financial Statements

Note 2.07 (Note 2.37 of Annual Accounts)
Contingent Liabilities and Capital Commitment (as represented by the Management)

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017
(i)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**70**	486
(ii)	Disputed Liabilities not provided for		
	- Sales Tax and VAT	**36**	27
	- Custom, Excise and Service Tax	**12**	6
	- Entry Tax and Octroi	**54**	45
	- Income Tax	**393**	391
	- Other Litigations	**4,751**	2,060
(iii)	Guarantees given by the Company on behalf of its Subsidiaries	**4,731**	5,540
(iv)	Guarantees given by the Company - Others	**1,202**	-

(v) Spectrum Charges

DoT has, during the earlier years, issued demand on the Company for ₹ 1,758 crore towards levy of one time Spectrum Charges, being the prospective charges for holding CDMA spectrum beyond 2.5 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. Based on a petition filed by the Company, the Hon'ble High Court of Kolkata, vide its order dated February 14 and April 19, 2013 has stayed the operation of such impugned demand till further order. The Company is of the view that the said demand, inter alia, is an alteration of financial terms of the licenses issued in the past and has also been advised so legally. Accordingly, no provision in this regard is required.

(vi) License and Spectrum Fee demands on account of Special Audit and Comptroller and Audit General (CAG) Audit

Pursuant to the Telecom License Agreement, DoT directed audit of various Telecom companies including of the Company. The Special Auditors appointed by DoT were required to verify records of the Company for the years ended March 31, 2007 and March 31, 2008 relating to license fees and revenue share. The Company has received show cause notice dated January 31, 2012 and subsequently, received demand note dated November 8, 2012 based on report of the Special Audit directed by DoT relating to alleged shortfall of license fees and interest thereon as applicable. The Company challenged the said notices, inter alia demanding license fee on non telecom revenue based on Special Audit Report before the Hon'ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT) and also before the Hon'ble High Court of Kerala. Further, for subsequent years also DoT has raised demand notes for License fee and Spectrum fee on non telecom revenue and other similar revenue heads which Special Auditor has recommended to add back in Adjusted Gross Revenue (AGR) for computation of License Fee and Spectrum Fee.

CAG has also conducted audit of the Company for financial years 2006-07 to 2014-15 and they also recommended to add back non telecom revenue in AGR. The Company has challenged all demands raised by DoT on recommendation of Special Auditors and CAG before Hon'ble TDSAT. Hon'ble TDSAT vide its judgement dated April 23, 2015 has set aside all License fee related demands and directed DoT to rework the license fees payable by the operators for the past periods, in light of the findings, observations and directions made in the said judgement and to issue fresh demands, which the operators will pay within the time prescribed under the law. DoT has challenged the said Hon'ble TDSAT judgement in Hon'ble Supreme Court and has not revised/raised any fresh demand. The matter is pending before Hon'ble Supreme Court, though Hon'ble Supreme Court vide its order dated February 29, 2016 allowed DoT to raise demand as per its understanding but not to enforce the same till the appeals are finally decided by the Hon'ble Supreme Court. As per the judgement of Hon'ble TDSAT dated April 23, 2015 which is operative as on date and other judicial pronouncements directly applicable to the issues of License fee dues raised by DoT on recommendations of Special Auditors and CAG, there shall not be any liability of License fee and hence, no provision is required in the accounts of the Company.

Note 2.08 (Note 2.38 of Annual Accounts)
Operating Lease

The Company's significant leasing arrangements are in respect of operating leases for premises and network sites. These lease agreements provide for cancellation by either parties thereto as per the terms and conditions of the agreements.

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017
	Estimated future minimum payments under non cancellable operating leases.		
(i)	Not later than one year	**-**	350
(ii)	Later than one year and not later than five years	**-**	-
(iii)	Later than five years	**-**	-

Note 2.09 (Note 2.39 of Annual Accounts)

2.09.1 Financial Instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There is no fair valuation of financial instruments.

The carrying values of the financial instruments by categories were as follows:

(₹ in crore)

Particulars	**As at March 31, 2018**	As at March 31, 2017
Financial assets at amortised cost:		
Cash and Cash Equivalents	**147**	455
Bank Balances	**54**	188
Trade Receivables	**1,672**	1,636
Investments	**4,225**	4,599
Other Financial Assets	**3,778**	6,672
Total	**9,876**	13,550
Financial assets at fair value through Statement of Profit and Loss:		
Investments ₹ 30,52,000 (Previous year ₹ 29,79,205)	**-**	-
Financial assets at fair value through other Comprehensive Income:	**Nil**	Nil
Financial liabilities at amortised cost:		
Trade payables	**3,110**	2,435
Deferred Payment Liabilities	**-**	1,407
Other Financial Liabilities	**1,335**	7,364
Borrowings	**35,876**	36,593
Liabilities directly related to Assets Held for sale	**4,142**	-
Total	**44,463**	47,799
Financial liabilities at fair value through Statement of Profit and Loss:	**Nil**	Nil
Financial Liabilities at fair value through other Comprehensive Income:	**Nil**	Nil

2.09.2 Financial Risk Management Objectives and Policies

Activities of the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

The Company has constituted a Risk Management Committee consisting of majority of the directors and senior managerial personnel. The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance competitive advantage. It defines the risk management approach across the enterprise at various levels including documentation and reporting and contains different risk models, which help in identifying risks trend, exposure and potential impact analysis at the Company level as also separately for the business segments.

The Company has instituted a self governed framework based on identification of potential risk areas, evaluation of risk intensity, and clear- cut risk mitigation policies, plans and procedures, both at the enterprise and operating levels. The framework seeks to facilitate a common organisational understanding of the exposure to various risks and uncertainties at an early stage, followed by timely and effective mitigation. This framework is reviewed at periodic intervals.

Financial risk management

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits, letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities (₹) not denominated in Indian rupee	Sensitivity analysis	Un hedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Un hedged
Market risk- price risk	Unquoted investment in equity shares of subsidiaries – not exposed to price risk fluctuations	-	-

Market risk

The Company also operates internationally and hence, a portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services, purchases from overseas suppliers and borrowings in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect income or value of its holding financial assets/ instruments. The exchange rate between rupee and foreign currencies has changed substantially in recent years and may fluctuate significantly in the future. As a result operations of the Company are adversely affected as rupee appreciates/ depreciates against US Dollar.

Foreign Currency Risk from financial instruments as of :

(₹ in crore)

Particulars	**March 31,2018**				March 31,2017			
	U.S. dollars	**Euro**	**Other Currency**	**Total**	U.S. dollars	Euro	Other Currency	Total
Trade Receivables	**1,563**	**-**	**58**	**1,621**	1,545	-	-	1,545
Other financials assets	**279**	**179**	**-**	**458**	278	153	-	431
Cash and Cash Equivalents	**-**	**-**	**-**	**-**	34	-	-	34
Borrowings	**(13,342)**	**-**	**-**	**(13,342)**	(14,695)	-	-	(14,695)
Trade payables and Other Liabilities	**(1,801)**	**-**	**(7)**	**(1,808)**	(1,505)	-	(6)	(1,511)
Net Assets / (Liabilities)	**(13,301)**	**179**	**51**	**(13,071)**	(14,343)	153	(6)	(14,196)

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as mentioned below.

(₹ in crore)

Movement in Exchange Rate	For the year ended March 31, 2018	For the year ended March 31, 2017
Impact of 2% increase in exchange rate of USD INR	**(266)**	(287)
Impact of 2% increase in exchange rate of EURO INR	**4**	3

If exchange rate is favorably affected with decrease by 2%, loss shall also accordingly be affected.

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Notes on Accounts to Abridged Financial Statements

Exposure to Interest Rate Risk

Interest rate risk of the Company arises from borrowings. The Company endeavors to adopt a policy of ensuring that maximum of its interest rate risk exposure is at fixed rate. The Company's interest-bearing financial instruments are reported as below

(₹ in crore)

	As at March 31,2018	As at March 31,2017
Fixed Rate Instruments		
Financial Assets	**95**	7,559
Financial Liabilities	**9,348**	8,302
Variable Rate Instruments		
Financial Assets	**-**	3,496
Financial Liabilities	**29,984**	29,903

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would increase/ (decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Impact on Profit and Loss / Equity		
Impact of increase in interest rate by 100 basis point	**(263)**	(264)

If interest rate is positively affected with i.e. decrease by 100 basis point, loss shall also accordingly be affected.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and is calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Derivative financial instruments

The Company does not hold derivative financial instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from the customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. ECL methodology depends on whether there is any significant increase in credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for the customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by Government and Quasi Government organizations and certificates of deposit which are funds deposited at a bank for a specified time period.

Notes on Accounts to Abridged Financial Statements

Ageing of Trade Receivable

(₹ in crore)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gross Amount	Weighted Average Rate	Provision for Doubtful Debts	Gross Amount	Weighted Average Rate	Provision for Doubtful Debts
Not Due	**115**	**4%**	**5**	194	4%	7
0-90	**378**	**9%**	**34**	469	19%	91
91-180	**215**	**31%**	**67**	196	27%	52
181-365	**505**	**14%**	**71**	283	17%	49
Above 365	**2,285**	**72%**	**1,649**	2,214	69%	1,521
Total	**3,498**	**52%**	**1,826**	3,356	51%	1,720

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Competitive intensity adversely impacted revenue and consequent cash accruals during the year. Consequent to the process of monetisation of the Company led by the Lenders and execution of definitive binding agreements for sale of certain assets, the Company, during the year, exited from consumer business and decided to focus on business portfolio comprising of Business to Business (B2B) businesses namely; Global and Indian enterprise, internet data centres (IDC), global submarine cable network and international long distance voice with Global and Indian customers. This has resulted in restraining drain on liquidity of the continuing operations. However, this, coupled with current level of debt and imminent repayment obligations, has sustained stress on liquidity profile. The Company closely monitors its liquidity position and is attempting to maintain a balance between continuity of funding and flexibility by increasing cash flow generated from its operations and realisations apart from other proposed measures, extended maturity period for repayment of restructured debt.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entail liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

Current and prospective liquidity risk is encountered when the Company is required to meet its obligations. The Company's approach to managing liquidity, that it will have sufficient cash and financial assets to meet its obligations and collateral needs, both expected and unexpected, under normal and stressed conditions, without incurring unacceptable losses. Dynamic nature of the underlying businesses necessitates that the treasury function ensures flexibility in funding by maintaining adequate working capital and its availability under committed credit lines, for uninterrupted business operations. Existing operations of the Company are primarily funded through long term loans and advances. The Company is seeking to maintain/ enhance the level of working capital credit lines, so that operations are performed at optimum level.

Periodic budgets and rolling forecasts are prepared at the level of operating subsidiaries as regular practice and in accordance with limits specified by the Company. 74% of the total debt will be payable in less than one year i.e. during the financial year ended as at March 31, 2019. Apart from this, there is an outstanding principal of ₹ 9,395 crore as at the end of the year and interest as applicable thereon payable to the lenders. There is delay/ default in scheduled repayment of the loans for ₹ 12,511 crore as at the end of the financial year. The Company has been pursuing proposed strategic transactions/ sale of assets and overall financial restructuring with the existing lenders. Such restructuring, when executed, would make available the required liquidity for the continuing business and would also provide an extended maturity period for repayment of restructured balance debt.

The tables below analyse the Company's financial liabilities into relevant maturities based on their contractual maturities for:

(₹ in crore)

Particulars	**As at March 31,2018**	**Total**	Less than 1 year	1-2 years	2 - 5 years	Above 5 years
Trade payables	**3,110**	**3,110**	3,110	-	-	-
Borrowings	**35,876**	**35,912**	26,517	6,402	2,535	458
Interest on borrowings	**371**	**4,307**	3,042	788	398	79
Other financial liabilities	**964**	**964**	964	-	-	-
Liabilities directly related to assets held for sale	**4,142**	**4,142**	4,142	-	-	-

Particulars	As at March 31,2017	Total	Less than 1 year	1-2 years	2 - 5 years	Above 5 years
Trade payables	2,435	2,435	2,435	-	-	-
Borrowings	36,593	36,798	18,060	8,358	9,772	608
Deferred Payment Liabilities	1,407	1,407	-	16	270	1,121
Interest on borrowings	756	6,102	3,303	1,469	1,065	265
Interest on deferred payment liabilities	281	1,344	22	532	560	230
Other financial liabilities	6,327	6,327	6,323	4	-	-

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 2.10 (Note 2.40 of Annual Accounts) Earnings per Share (EPS)			
Basic and Diluted EPS (after Exceptional Items) from continuing operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**63**	225
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**258 28 68 149**	246 77 00 745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**0.24**	0.91
Basic and Diluted EPS (after Exceptional Items) from discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(9,933)**	(2,021)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**258 28 68 149**	246 77 00 745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(38.46)**	(8.19)
Basic and Diluted EPS (after Exceptional Items) from continuing and discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(9,870)**	(1,796)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**258 28 68 149**	246 77 00 745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(38.22)**	(7.28)
Basic and Diluted EPS (before Exceptional Items) from continuing operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**63**	225
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**258 28 68 149**	246 77 00 745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**0.24**	0.91
Basic and Diluted EPS (before Exceptional Items) from discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(2,978)**	(2,021)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**258 28 68 149**	246 77 00 745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(11.53)**	(8.19)
Basic and Diluted EPS (before Exceptional Items) from continuing and discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(2,915)**	(1,796)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**258 28 68 149**	246 77 00 745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(11.29)**	(7.28)
Reconciliation of weighted average number of ordinary shares			
	Issued ordinary shares at April 1	**248 89 79 745**	248 89 79 745
	Issued 276553305 ordinary shares at October 31, 2017 (Refer Note 2.04.2)	**11 51 67 404**	-
	Effect of Treasury shares held	**(2,12,79,000)**	(2,12,79,000)
	Weighted average number of shares for basic and diluted EPS	**258 28 68 149**	246 77 00 745

Notes on Accounts to Abridged Financial Statements

Note 2.11 (Note 2.41 of Annual Accounts)

Exceptional Items

Pursuant to the direction of the Hon'ble High Court of Judicature of Mumbai/Gujarat and option exercised by the Board of the Company, in accordance with and as per the Scheme of Arrangement ("the Scheme") approved by the Hon'ble High Court vide order dated July 3, 2009 binding on the Company, expenses and/ or losses, identified by the Board of the Company as being exceptional or otherwise subject to the Accounting treatment prescribed in the Schemes and comprising of ₹ 221 crore (Previous year ₹ 433 crore) of depreciation consequent to addition of exchange differences on long term borrowing relating to capital assets to the cost of capitalised assets, as also ₹ 25 crore (gain) (Previous year loss ₹ 8 crore) of exchange variation (net) on items other than long term monetary items, ₹ 252 crore (Previous year ₹ 238 crore) being amortization of FCMITDA excluding the portion added to the cost of fixed assets or carried forward as FCMITDA in accordance with Para 46 A inserted into the then applicable Accounting Standard (AS) 11 "The Effects of changes in Foreign Exchange Rates" in the context of unprecedented volatility in exchange rate during the year have been met by withdrawal from corresponding General Reserves, leaving no impact on loss for the year ended March 31, 2018. Apart from this, ₹ 5,948 crore pertaining to Impairment of assets and diminution in the value of Investments have been withdrawn from General Reserve and Reserve for Business Restructuring. Such withdrawals have been included/ reflected in the Statement of Profit and Loss. The Company has been legally advised that such inclusion in the statement of Profit and loss is in accordance with Schedule III of the Companies Act, 2013. Had such write off of expenses, losses and depreciation/ amortisation (Refer Note 2.04.1 (vi)) not met from General Reserve, the Company would have reflected a Loss after tax for the year of ₹ 16,546 crore (Previous year loss after tax of ₹ 3,680 crore).

Note 2.12 (Note 2.42 of Annual Accounts)

Recovery of Expenses

Expenses are net of recoveries for common cost from; RCIL, a Wholly Owned Subsidiary of the Company, includes ₹ Nil (Previous year ₹ 31,72,015) for Salaries, ₹ 8,97,690 (Previous year ₹ 197 crore) for Finance Cost. RIDC, a Wholly Owned Subsidiary of RWL, includes ₹ Nil (Previous year ₹ 168 crore) for Network Expenses, ₹ Nil (Previous year ₹ 11 crore) for Finance Cost. RITL, a subsidiary of RCIL includes ₹ 3 crore (Previous year ₹ 1 crore) for Salaries and ₹ 6 crore (Previous year ₹ 127 crore) for Finance Cost. Independent TV, a Wholly Owned Subsidiary of the Company includes ₹ Nil (Previous year ₹ 36,35,354) for Salaries, ₹ Nil (Previous year ₹ 21 crore) for Finance Cost. RTL, a Subsidiary of the Company includes ₹ Nil (Previous year ₹ 47,45,638) for Salaries, ₹ 1 crore (Previous year ₹ 235 crore) for Finance Cost and ₹ Nil (Previous year ₹ 8 crore) for Sales and General and Administration Expenses. RTSL, a Wholly Owned Subsidiary of the Company includes ₹ 4 crore (Previous year ₹ 62 crore) for Finance Cost. RWL, a Wholly Owned Subsidiary of the Company includes ₹ Nil (Previous year ₹ 69 crore) for Finance Cost. RIIL, a Wholly Owned Subsidiary of the Company includes ₹ Nil (Previous year ₹ 18,76,463 for Salaries and ₹ Nil (Previous year ₹ 25 crore) for Finance Cost. RWML, a Wholly Owned Subsidiary of the Company includes ₹ 10,072 (Previous year ₹ 40,000) for Finance Cost. Expenses under the heads Selling, Marketing and Distribution are net of recovery of cost ₹ Nil (Previous year ₹ 70,38,646) incurred for and on behalf of RWL. Finance cost is net of recovery of interest cost from respective subsidiaries as mentioned above for the fund used by them for their business.

Note 2.13 (Note 2.43 of Annual Accounts)

Corporate Social Responsibility

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.

Note 2.14 (Note 2.44 of Annual Accounts)

Employee Benefits

Gratuity: In accordance with the applicable Indian laws, the Company provides for the gratuity, a defined benefit retirement plan (Gratuity Plan) for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary and for the years of employment with the Company.

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The management is responsible for the overall governance of the plan. The management has outsourced the investment management of the fund to insurance company which in turn manages these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2018 and March 31, 2017, the contributions towards superannuation plans have been invested in Insurer Managed Funds.

The plan is in the nature of a defined benefit plan which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The defined benefit plan exposes the Company to actuarial risks such as logentivity risks, interest risk and market (Investment) risk.

Notes on Accounts to Abridged Financial Statements

The following table sets out the status of the Gratuity Plan as required under Ind AS 19 "Employee Benefits".

(₹ in crore)

	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**		
	Obligation at the beginning of the year	**16**	14
	Service Cost	**1**	2
	Interest Cost	**1**	1
	Liability Transferred in from other Company (Previous year ₹ 1,37,379))	**-**	-
	Liability Transferred out to other Company (Previous year ₹ 11,29,193))	**-**	-
	Actuarial (gain) / loss recognised in other comprehensive income		
	- Change in financial assumptions	**(1)**	1
	- Change in demographic assumptions ₹ 34,44,434 (Previous year ₹ Nil)	**-**	-
	- Experience adjustments (Previous year ₹ 7,48,437))	**(2)**	-
	Benefits Paid	**(3)**	(1)
	Liabilities Extinguished on Settlement	**-**	-
	Obligation at the end of the year	**12**	16
	Note: Defined benefit obligation liability is wholly funded by the Company		
(ii)	**Change in plan assets**		
	Plan assets at the beginning of the year, at fair value (₹ 2,30,512)	**-**	1
	Expected return on plan assets (₹ 85,111 (Previous year ₹ 8,31,954))	**-**	-
	Actuarial gain / (loss) recognised in other comprehensive income ₹ Nil (Previous year ₹ 47,798)	**-**	-
	Contributions (Previous year ₹ 34,00,000)	**3**	-
	Assets Transferred in from other Company ₹ Nil (Previous year ₹ 1,37,379)	**-**	-
	Assets Transferred out to other Company ₹ Nil (Previous year ₹ (11,29,193))	**-**	-
	Benefits paid from the fund	**(3)**	(1)
	Assets distributed on settlement	**-**	-
	Plan assets at the end of the year, at fair value (₹ 2,82,075 Previous year ₹ 2,30,512)	**-**	-
(iii)	**Reconciliation of present value of the obligation and the fair value of the plan assets**		
	Fair value of plan assets at the end of the year (₹ 2,82,075 Previous year ₹ 2,30,512)	**-**	-
	Present value of the defined benefit obligation at the end of the year	**12**	16
	Liability recognized in the Balance Sheet	**12**	16
(iv)	**Expense Recognised in Profit or Loss**		
	Service Cost	**1**	2
	Interest Cost	**1**	1
	Total	**2**	3
(v)	**Amount Recognised in Other Comprehensive Income**		
	Actuarial (gain) / loss recognised in other comrehensive income	**(3)**	1
	Expected return on plan assets (₹ 85,111 (Previous year ₹ 8,31,954))	**-**	-
	Total	**(3)**	1
(vi)	**Investment details of plan assets**		
	100% of the plan assets are invested in balanced Fund Instruments		
(vii)	**Actual return on plan assets ₹ 1,00,832** (Previous year: ₹ 8,79,752)	**-**	-
(viii)	**Assumptions**		
	Interest rate	**7.65%**	6.82%
	Estimated return on plan assets	**7.65%**	6.82%
	Salary growth rate	**8%**	8%
	Employee turnover rate	**For service 4 year and below 44% and 7% therafter**	For service 4 year and below 35% and 2% therafter

Mortality in Retirement: LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives. The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market

(ix) Particulars of the amounts for the year and Previous years

(₹ in crore)

	As at March 31				
	2018	2017	2016	2015	2014
Present Value of benefit obligation	**12**	16	14	31	31
Fair value of plan assets	**-**	-	1	3	10
Excess of obligation over plan assets (plan assets over obligation)	**12**	16	13	28	21

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2018

(xi) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in crore)

	As at March 31,2018	As at March 31,2017
Discount rate (+ 1% movement)	**(1)**	(1)
Discount rate (- 1% movement)	**1**	1
Future salary growth (+ 1% movement)	**1**	1
Future salary growth (- 1% movement)	**(1)**	(1)
Employee turnover (+ 1% movement) (₹ 1,92,111 (Previous year ₹ 13,51,686))	**-**	-
Employee turnover (- 1% movement) (₹ 2,01,377 (Previous year ₹ 14,65,315))	**-**	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(₹ in crore)

	As at March 31,2018	As at March 31,2017
(xi) Maturity analysis of defined benefit plan (fund)		
Project benefit payable in future from the date of reporting		
1st following year	**2,34,56,010**	89,28,988
2nd following year	**78,99,309**	67,65,006
3rd following year	**97,48,442**	61,87,275
4th following year	**92,33,861**	88,30,731
5th following year	**1,57,55,222**	1,04,13,181
Sum of 6 to 10 years	**6,35,50,017**	8,41,49,952
Sum of years 11 and above	**5,95,47,382**	-

Provident Fund :Under this scheme, the employee and employer each make monthly contribution to the plan equal to 12% of the covered employee's basic salary. Contributions are made to the trust established by the Company. As at March 31, 2018, based on the actuarial valuation, Fair value of plan assets is ₹ 186 crore (Previous year ₹ 224 crore), the present value of defined benefit obligation is ₹ 162 crore (Previous year ₹ 206 crore). For the year ended March 31, 2018, the Company has contributed ₹ 3 crore (Previous year ₹ 5 crore) towards Provident Fund.

The assumptions made for the above are discount rate of 7.65%, average remaining tenure of Investment Portfolio is 5 years and guaranteed rate of return is 8.55%.

Notes on Accounts to Abridged Financial Statements

Note 2.15 (Note 2.45 of Annual Accounts)

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the company, the following disclosures are made for the amounts due to Micro and Small Enterprises.

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017
(i)	Principal amount due to any supplier as at the year end	**31**	33
(ii)	Interest due on the principal amount unpaid at the year end to any supplier	**12**	8
(iii)	Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	**-**	-
(iv)	Payment made to the enterprises beyond appointed date under Section 16 of MSMED	**35**	36
(v)	Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED	**3**	3
(vi)	Amount of interest accrued and remaining unpaid at the end of each accounting year; and	**15**	11
(vii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED.	**9**	6

Note 2.16 (Note 2.46 of Annual Accounts)

Disclosures required by Clause 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and Advances in the nature of Loans to Subsidiary Companies

(₹ in Crore)

Sr. No.	**Name of the Company**	**As At March 31, 2018**	As At March 31, 2017	**Maximum Balance during the current year**	Maximum Balance during the Previous year
(i)	Reliance Webstore Limited	**-**	-	**192**	1,143
(ii)	Reliance Telecom Limited	**1,979**	1,832	**2,120**	3,570
(iii)	Campion Properties Limited	**153**	153	**153**	153
(iv)	Reliance Communications Infrastructure Limited	**1,021**	1,013	**1,055**	3,044
(v)	Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited)	**208**	166	**309**	428
(vi)	Independent TV Limited (Formerly Reliance Big TV Limited)	**-**	40	**319**	274
(vii)	Reliance Infratel Limited	**-**	2,719	**2,719**	2,719
(viii)	Reliance Globalcom B.V.	**279**	278	**279**	383
(ix)	Globalcom IDC Limited (Formerly Reliance IDC Limited)	**-**	4	**8**	41
(x)	Reliance Tech Services Limited	**-**	10	**175**	685
		3,640	6,215		

Loans and Advances, except Reliance Infratel Limited, are interest free where there is no repayment schedule and are repayable on demand.

Note 2.17 (Note 2.47 of Annual Accounts)

Employee Stock Option Schemes

The Company operates a Employee Stock Option Plan; ESOS Plan 2009, which cover eligible employees of the Company and its Subsidiaries. ESOS Plan 2008 was also operational till previous year. ESOS Plans are administered through an ESOS Trust. The Vesting of the Options is on the expiry of one year from the date of Grant as per Plan under the respective ESOS(s). In respect of Options granted, the accounting value of Options (based on market price of the share on the date of the grant of the Option) is accounted as deferred employee compensation, which is amortised on a straight line basis over the Vesting Period. Each Option entitles the holder thereof to apply for and be allotted/ transferred one Equity Share of the Company of ₹ 5 each upon payment of the Exercise Price during the Exercise Period. The maximum Exercise Period is 10 years from the date of Grant of Options.

The Company has established a Trust for the implementation and management of ESOS for the benefit of its present and future employees. Advance of ₹ 387 crore (Previous year ₹ 387 crore) has been granted to the Trust and the said amount has been utilized by the Trust for purchasing ₹ 2.13 crore (Previous year ₹ 2.13 crore) Equity Shares during the period upto March 31, 2018. The fall in the value of these underlying shares on account of market volatility and loss, if any, can be determined only at the end of the exercise period under ESOS Scheme.

Amortization of compensation includes write back of ₹ 1 crore (Previous year ₹ 3,27,600) based on intrinsic value of Options which has been vested under ESOS Plan 2008 and reflected in Statement of Profit and Loss under Employees Benefit Expenses. No amount is chargeable in respect of Options granted under ESOS Plan 2009.

Particulars	Employees Stock Option Plans			
	ESOS Plan 2008		ESOS Plan 2009	
	Number of Options	Weighted average exercise price (₹)	Number of Options	Weighted average exercise price (₹)
Number of Options Outstanding at the beginning of the year	48 124	417	5 53 454	206
Number of Options granted	Nil	-	Nil	-
Total number of Options surrendered	Nil	-	Nil	-
Number of Options vested during the year	Nil	-	Nil	-
Total number of Options exercised	Nil	-	Nil	-
Total number of Options forfeited/ lapsed	48 124	417	1 59 918	206
Number of Options outstanding at the end of the year	-	-	3 93 536	206

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was less than **a** year.

If the entity would have estimated fair value computed on the basis of Black Scholes pricing model, the compensation cost for the year ended March 31, 2018 for ESOS Plan 2009 would have been ₹ 2.06 crore. The key assumptions used to estimate the fair value of options are given below.

Particulars	ESOS Plan 2009
Risk-free interest rate	6.73%
Expected life	1 year
Expected volatility	86.25%
Expected dividend yield	0.07%
Price of the underlying share in market at the time of option grant	₹ 174

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 2.18 (Note 2.48 of Annual Accounts)
Post Reporting Events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Note 2.19 (Note 2.49 of Annual Accounts)
Discontinued Operations:

The Company has, pursuant to strategic transformation programme as a part of debt resolution plan and process of monetisation led by the Lenders, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on 28th December 2017 for sale of Wireless Spectrum and Media Convergence Nodes (MCN) assets. Consequently, the said assets along with liabilities, revenue and expenses related thereto have been classified as Assets held for Sale (Refer Note 2.27) and wireless operations have been disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

Notes on Accounts to Abridged Financial Statements

Financial Performance of discontinued operations is presented hereunder:

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income		
Revenue from Operations	**1,814**	5,286
Other Income	**231**	331
Total Income	**2,045**	5,617
Expenses		
Access Charges, License Fee and Network Expenses	**2,566**	4,600
Employee Benefit Expenses	**86**	150
Finance Costs	**715**	2,409
Depreciation, Impairment and Amortisation	**1,055**	1,756
Sales and General Administration Expenses	**601**	688
Total Expenses	**5,023**	9,603
Profit before exceptional items and tax from discontinued operations	**(2,978)**	(3,986)
Cash flow from		
- Operating activities	**(2,013)**	(448)
- Investing activities	**3,974**	403
- Financing activities	**(2,527)**	249

Note 2.20 (Note 2.50 of Annual Accounts)

Non Provision of Interest

The Company was engaged with Joint Lenders' Forum (JLF), constituted on June 2, 2017 and under standstill period till December 2017 pursuant to the Strategic Debt Restructuring Scheme (SDR Scheme) of Reserve Bank of India (RBI). Consequent to circular of 12th February, 2018 of RBI, the Company continued to work closely with the Lenders to finalise an overall debt resolution plan. Pursuant to strategic transformation programme, as a part of debt resolution plan of the Company under consideration, inter alia of the Lenders, the Company and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), with the permission of and on the basis of suggestions of the Lenders, had for monetization of some specified Assets, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). Further, the Company has also entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited for sale of its subsidiary company having DTH Business. The Company and its said subsidiaries expected to close these transactions in a phased manner. In the meanwhile, Hon'ble National Company Law Tribunal (NCLT), Mumbai has, overruling the objections of the Company as also its lenders represented by State Bank of India, the lead member, vide its order dated May 15, 2018 admitted applications filed by an operational creditor for its claims against the Company and its subsidiaries; RTL and RITL and thereby admitted the companies to debt resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed vide NCLT's order dated May 18, 2018. The Company along with the support of the lenders filed an appeal with Hon'ble National Company Law Appellate Tribunal (NCLAT) challenging the order of NCLT admitting the Company to IBC proceedings. The Hon'ble NCLAT, vide its order dated May 30, 2018, stayed the orders passed by NCLT and consequently, the Board of the respective Companies stands reinstated. Further, Minority Shareholders holding 4.26% stake in RITL had accused the management of RITL of "Oppression of minority shareholders and mismanagement" and filed a petition in NCLT. Based on an amendment to the Petition, the NCLT stayed RITL's proposed asset sale (Tower and Fibre). The parties have subsequently settled the dispute and the restriction on sale stands vacated. The Company is confident that a suitable debt resolution plan would be formulated along with its lenders as per the strategic transformation programme.

During the year, considering all the factors including the Company's request for waiver of interest and admission of the Company to debt resolution process under the IBC, the Company, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and without implying in any way that the terms of lending by banks and the other lenders are altered, has not provided interest of ₹ 3,055 crore. Had the Company provided Interest, the Loss would have been higher by ₹ 3,055 crore, but the impact is likely to be nil if request for waiver is accepted by lenders.

Note 2.21 (Note 2.51 of Annual Accounts)

Related Parties

As per the Ind AS 24 "Related Party Disclosures" as referred to in Accounting Standard Rules, the disclosure of transactions with the related parties as defined therein are given below. All transactions entered into by the Company with related parties, were in ordinary course of business and on arm's length basis.

Notes on Accounts to Abridged Financial Statements

A List of Related Parties : where control exists

(i) Subsidiary Companies (direct and step down subsidiaries)

1 Reliance WiMax Limited (RWML)
2 Reliance Bhutan Limited
3 Reliance Webstore Limited (RWL)
4 Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited) (RRL)
5 Campion Properties Limited
6 Independent TV Limited (Formerly Reliance Big TV Limited)
7 Reliance Tech Services Limited
8 Reliance Telecom Limited
9 Reliance Communications Infrastructure Limited (RCIL)
10 Globalcom IDC Limited (Formerly Reliance IDC Limited)
11 Reliance Infratel Limited (RITL)
12 Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)
13 Reliance BPO Private Limited
14 Reliance Globalcom Limited, India
15 Reliance Communications Tamilnadu Limited
16 Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)
17 Reliance Infra Projects Limited
18 Realsoft Cyber Systems Private Limited
19 Worldtel Tamilnadu Private Limited
20 Internet ExchangeNext.com Limited
21 Reliance Globalcom B.V.
22 Reliance Communications (UK) Limited (RCUK)
23 Reliance Communications (Hong Kong) Limited
24 Reliance Communications (Singapore) Pte. Limited
25 Reliance Communications (New Zealand) Pte Limited
26 Reliance Communications (Australia) Pty Limited
27 Anupam Global Soft (U) Limited
28 Gateway Net Trading Pte Limited
29 Reliance Globalcom Limited, Bermuda (RGL Bermuda)
30 FLAG Telecom Singapore Pte. Limited
31 FLAG Atlantic UK Limited
32 Reliance FLAG Atlantic France SAS (FLAG France)
33 FLAG Telecom Taiwan Limited
34 Reliance FLAG Pacific Holdings Limited
35 FLAG Telecom Group Services Limited (formerly known as GCX Services Limited)
36 FLAG Telecom Deutschland GmbH
37 FLAG Telecom Hellas AE
38 FLAG Telecom Asia Limited
39 FLAG Telecom Netherland B.V.
40 Reliance Globalcom (UK) Limited
41 Yipes Holdings Inc.
42 Reliance Globalcom Services Inc.

(i) Subsidiary Companies (direct and step down subsidiaries)

43 YTV Inc.
44 Reliance Infocom Inc.
45 Reliance Communications Inc. (RCI)
46 Reliance Communications International Inc. (RCII)
47 Reliance Communications Canada Inc.
48 Bonn Investment Inc.
49 FLAG Telecom Development Limited
50 FLAG Telecom Development Services Company LLC
51 FLAG Telecom Network Services DAC
52 Reliance FLAG Telecom Ireland DAC (FLAG Ireland)
53 FLAG Telecom Japan Limited
54 FLAG Telecom Ireland Network DAC
55 FLAG Telecom Network USA Limited
56 FLAG Telecom Espana Network SAU
57 Reliance Vanco Group Ltd
58 Euronet Spain SA
59 Vanco (Shanghai) Co Ltd.
60 Vanco (Asia Pacific) Pte. Ltd.
61 Vanco Australasia Pty. Ltd.
62 Vanco Sp Zoo
63 Vanco Gmbh
64 Vanco Japan KK
65 Vanco NV
66 Vanco SAS
67 Vanco South America Ltda
68 Vanco Srl
69 Vanco Sweden AB
70 Vanco Switzerland AG
71 Vanco Deutschland GmbH
72 Vanco BV
73 Vanco UK Ltd
74 Vanco International Ltd
75 Vanco Row Limited
76 Vanco Global Ltd
77 VNO Direct Ltd
78 Vanco US LLC
79 Vanco Solutions Inc
80 Net Direct SA (Proprietary) Ltd. (Under liquidation)
81 Global Cloud Xchange Limited
82 GCX Limited
83 Aircom Holdco B.V
84 Towercom Infrastructure Private Limited
85 Seoul Telenet Inc.
86 FLAG Holdings (Taiwan) Limited
87 Reliance Telecom Infrastructure (Cyprus) Holdings Limited
88 Lagerwood Investments Limited

(ii) Holding Company

Reliance Innoventures Private Limited

(iii) Individuals Promoters

Shri Anil D. Ambani, the person having control during the year

(iv) Key Managerial Person

Shri Punit Garg – Executive Director (w.e.f. October 2, 2017)

Shri Manikantan V. – Director and Chief Financial Officer (w.e.f. October 2, 2017)

Shri Prakash Shenoy – Company Secretary

B List of Other Related Parties : where there have been transactions

(i) Associates

1 Warf Telecom International Private Limited
2 Mumbai Metro Transport Private Limited

(ii) Fellow Subsidiary Company

1 Reliance Big Entertainment Private Limited
2 Reliance Big Broadcasting Private Limited
3 Big Animation (India) Private Limited
4 Big Flicks Private Limited
5 Zapak Digital Entertainment Limited
6 Zapak Mobile Games Private Limited

(ii) Fellow Subsidiary Company

7 Ralston Trading Private Limited
8 MedyBiz Private Limited
9 Unlimit IOT Private Limited

(iii) Enterprises over which individual described in Sr. No. A (iii) above having control

1 Reliance Capital Limited
2 Reliance Capital Asset Management Limited (Formerly known as Reliance Nippon Life Asset Management)
3 Reliance General Insurance Company Limited
4 Reliance Commodities Limited
5 Reliance Money Precious Metals Private Limited
6 Reliance Home Finance Limited
7 Reliance Securities Limited
8 Reliance Financial Limited
9 Reliance Money Solutions Private Limited
10 Reliance Wealth Management Limited
11 Reliance Corporate Advisory Services Limited

(iii) Enterprises over which individual described in Sr. No. A (iii) above having control

12 Reliance Infrastructure Limited
13 Mumbai Metro One Private Limited
14 Reliance Sealink One Private Limited
15 HK Toll Road Private Limited
16 Parbati Koldam Transmission Company Limited
17 GF Toll Road Private Limited
18 KM Toll Road Private Limited
19 DA Toll Road Private Limited
20 Reliance Energy Limited
21 DS Toll Road Limited
22 BSES Kerala Power Limited
23 Vidarbha Industries Power Limited
24 Reliance Power Limited
25 Sasan Power Limited
26 Rosa Power Supply Company Limited
27 Jharkhand Integrated Power Limited
28 Tato Hydro Power Private Limited
29 Chitrangi Power Private Limited
30 Reliance Cleangen Limited (RCGL)
31 Reliance Nippon Life Insurance Company Limited (Formerly known as Reliance Life Insurance Company Limited)
32 BSES Rajdhani Power Limited
33 Reliance Naval and Engineering Limited
34 Reliance Commercial Finance Limited
35 Reliance Commodities Limited
36 Reliance Defence Limited
37 Reliance Defence systems and Tech Limited
38 Reliance Health Insurance Limited
39 SU Toll Road Private Limited
40 TD Toll Road Private Limited
41 TK toll Road Private Limited
42 BSES Yamuna Power Limited

(iv) Employee Benefits Trust

1 Reliance Infocomm Limited Employees Provident Fund
2 Reliance Infocomm Limited Employees Gratuity Fund
3 Reliance Infocomm Limited Employees Superannuation Schemes

Notes on Accounts to Abridged Financial Statements

(B) Transactions during the year with Related Parties

(Figures relating to Previous year are reflected in bracket)

(₹ in crore)

Sr. No	Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which individual having control	Employee Benefits Trust	Associates/ Others	Total
1	**Investments**						
	Balance as at April 1, 2017	**21,667**	**-**	**-**	**-**	**22**	**21,689**
		(21,780)	(-)	(-)	-	(22)	(21,802)
	Purchased during the year	**-**	**-**	**-**	**-**	**-**	**-**
		(1)	(-)	(-)	(-)	(-)	(1)
	Sold during the year	**-**	**-**	**-**	**-**	**-**	**-**
		(100)	(-)	(-)	(-)	(-)	(100)
	Provision for Diminision in the value Investment during the year	**(3,931)**	**-**	**-**	**-**	**-**	**(3,931)**
		(-)	(-)	(-)	(-)	(-)	(-)
	Foreign Exchange Fluctuation	**26**	**-**	**-**	**-**	**-**	**26**
		(14)	(-)	(-)	(-)	(-)	(14)
	Balance as at March 31, 2018	**17,762**	**-**	**-**	**-**	**22**	**17,784**
		(21,667)	(-)	(-)	(-)	(22)	(21,689)
2	**Purchase of PPE/Intangible Assets**	-	-	-	**-**	-	-
		(4)	(-)	(-)	(-)	(-)	(4)
3	**Sale of PPE/Intangible Assets**	1	-	-	**-**	-	1
		(-)	(-)	(-)	(-)	(-)	(-)
4	**Trade Receivables**	**1,019**	**-**	**4**	**-**	**-**	**1,023**
		(1,022)	(3)	(19)	(-)	(-)	(1,044)
5	**Loans - Current Financial Assets***						
	Balance as at April 1, 2017	**6,215**	**-**	**-**	**-**	**-**	**6,215**
		(3,920)	(-)	(-)	(-)	(-)	(3,920)
	Given / Adjusted during the Year	**7,268**	**-**	**-**	**-**	**-**	**7,268**
		(24,877)	(-)	(-)	(-)	(-)	(24,877)
	Repaid / Adjusted during the Year	**9,844**	**-**	**-**	**-**	**-**	**9,844**
		(22,576)	(-)	(-)	(-)	(-)	(22,576)
	Foreign Exchange Fluctuation	**1**	**-**	**-**	**-**	**-**	**1**
		(6)	(-)	(-)	(-)	(-)	(6)
	Balance as at March 31, 2018	**3,640**	**-**	**-**	**-**	**-**	**3,640**
		(6,215)	(-)	(-)	(-)	(-)	(6,215)
	* includes non cash transactions						
6	**Interest Accrued on Loans and Investments - Other Financial Assets**	**49**	**-**	**-**	**-**	**-**	**49**
		(141)	(-)	(-)	(-)	(-)	(141)
7	**Other Current Assets**						
	(i) Advances	**96**	**-**	**1**	**-**	**-**	**97**
		(42)	(-)	(-)	(-)	(-)	(42)
	(ii) Others	**68**	**-**	**-**	**-**	**-**	**68**
		(1,636)	(-)	(13)	(-)	(-)	(1,649)

Notes on Accounts to Abridged Financial Statements

(₹ in crore)

Sr. No	Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which individual having control	Employee Benefits Trust	Associates/ Others	Total
8	**Borrowings - Non Current**						
	Balance as at April 1, 2017	**-**	**-**	**861**	**-**	**-**	**861**
		(-)	(-)	(106)	(-)	(-)	(106)
	Taken during the Year	**-**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(861)	(-)	(-)	(861)
	Repaid during the Year	**-**	**-**	**7**	**-**	**-**	**7**
		(-)	(-)	(106)	(-)	(-)	(106)
	Balance as on March 31, 2018 (including current maturity of Long term Debts)	**-**	**-**	**854**	**-**	**-**	**854**
		(-)	(-)	(861)	(-)	(-)	(861)
9	**Trade Payables**	**1,061**	**-**	**2**	**-**	**-**	**1,063**
		(858)	(2)	(1)	(-)	(-)	(861)
10	**Borrowings - Current**	**-**	**-**	**641**	**-**	**-**	**641**
		(-)	(-)	(1,088)	(-)	(-)	(1,088)
11	**Other Financial Liabilities**						
	(i) Interest accured but not due on borrowings	-	-	-	-	-	-
		(-)	(-)	(27)	(-)	(-)	(27)
	(ii) Other Liabilities	**385**	**-**	**-**	**-**	**-**	**385**
		(5,408)	(-)	(-)	(-)	(-)	(5,408)
12	**Income received in Advance**	**-**	**-**	**-**	**-**	**-**	**-**
		(3)	(-)	(-)	(-)	(-)	(3)
13	**Income**						
	Revenue From Operations	**349**	**-**	**21**	**-**	**-**	**370**
		(1,273)	(-)	(36)	(-)	(-)	(1,309)
	Other Income	**125**	**-**	**-**	**-**	**-**	**125**
		(245)	(-)	(1)	(-)	(-)	(246)
14	**Expenditure**						
	Access Charges	**176**	**-**	**-**	**-**	**-**	**176**
		(536)	(-)	(-)	(-)	(-)	(536)
	Network Operation Expenses	**1,583**	**-**	**5**	**-**	**-**	**1,588**
		(2,603)	(-)	(-)	(-)	(-)	(2,603)
	Employee Benefits Expenses	-	-	-	**3**	**-**	**3**
		(-)	(-)	(-)	(6)	(-)	(6)
	Selling and Marketing Expenses	**56**	**-**	**-**	**-**	**-**	**56**
		(131)	(-)	(-)	(-)	(-)	(131)
	General and Administration Expenses	**225**	**-**	**11**	**-**	**-**	**236**
		(133)	(-)	(21)	(-)	(-)	(154)
	Finance Cost	**-**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(111)	(-)	(-)	(111)
	Recovery of Expenses	**14**	**-**	**-**	**-**	**-**	**14**
		(925)	(-)	(-)	(-)	(-)	(925)

Notes on Accounts to Abridged Financial Statements

(₹ in crore)

Sr. No	Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which individual having control	Employee Benefits Trust	Associates/ Others	Total
15	**Corporate Guarantee**	**4,731**	**-**	**-**	**-**	**-**	**4,731**
		(5,540)	(-)	(-)	(-)	(-)	(5,540)
16	**Person having control during the year**						
	Shri Anil D. Ambani- Sitting Fees ₹ 4,40,000 (Previous year ₹ 5,60,000)	-	-	-	**-**	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
17	**Managerial Remuneration***						
	Shri Punit Garg	**-**	**-**	**-**	**-**	**1**	**1**
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Manikantan V.	**-**	**-**	**-**	**-**	**1**	**1**
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Prakash Shenoy	**-**	**-**	**-**	**-**	**1**	**1**
		(-)	(-)	(-)	(-)	(1)	(1)

* subject to approval of members by way of a special resolution in the ensuing annual general meeting

The following table describes the components of compensation paid or payable to key management personnel for the services rendered during the year ended:

Amount in ₹

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and other benefits	**2,74,96,566**	72,86,249
Contributions to defined contribution plans	**15,32,247**	4,55,371
Commission to directors	**-**	-
Share-based payments expense	**-**	-
Total	**2,90,28,813**	77,41,620

Some of the key management personnel of the Company are also covered under the Company's Gratuity Plan along with other employees of the Company. Proportionate amounts of gratuity accrued under the Company's Gratuity Plan have not been separately included in the above disclosure.

Note 2.22

2.22.1 (Note 2.18.1 of Annual Accounts)

Debentures, Senior Secured Notes and Term Loans

The Company, on March 2, 2009, allotted, 3,000, 11.20% Secured Redeemable, Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each, aggregating to ₹ 3,000 crore to be redeemed at the end of 10th year from the date of allotment thereof. The Company on February 7, 2012, also allotted, 1,500, 11.25% Secured Redeemable Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each aggregating to ₹ 1,500 crore redeemable in four annual equal installments starting at the end of 4th year from the date of allotment thereof, the outstanding against said NCDs is ₹ 750 crore as on March 31, 2018. The Company had, on May 6, 2015, issued Senior Secured Notes (SCNs) of USD 300 million, face value of USD 100 per bond, bearing 6.5% p.a. interest, with a maturity of 5 1/2 years.

The Company had been sanctioned Rupee Loans of ₹ 6,015 crore (outstanding as on March 31,2018 was ₹ 5,463 crore) (Term Loan Facility) under consortium banking arrangement on the terms and conditions as set out in common loan agreement.

NCDs along with SCNS, Foreign Currency Loans and Rupee Loans of ₹ 24,675 crore ("the said Secured Loans") have been secured by first pari passu charge on the whole of the movable plant and machinery including (without limitations) tower assets and optic fiber cables, if any (whether attached or otherwise), capital work in progress (pertaining to the movable fixed assets), both present and future including all the rights, title, interests, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group; comprising of the Company and its subsidiary companies namely; RTL, RITL and RCIL, ("the Borrower Group"), in favour of the Security Trustee for the benefit of the NCD/ SCN Holders and the lenders of the said Secured Loans. The said loans also include ₹ 3,583 crore, which are guaranteed. Rupee Loans of ₹ 487 crore are secured by second pari passu charge on the movable plant and machinery and capital work in progress of the Borrower Group, Tower receivables, pledge of equity shares of RIDC held by RWL and also guaranteed. Further, Rupee loan of ₹ 68 crore is secured by Second Charge on Fixed Assets of Borrower Group. The Company, for the benefit of the Lenders of SCN of ₹ 1,955 crore, Foreign Currency Loans of ₹ 11,191 crore, 11.25% NCDs aggregating to ₹ 750 crore and Rupee Loans of ₹ 7,403 crore has, apart from the above, also assigned 20 Telecom Licenses for services under Unified Access Services (UAS), National Long Distance (NLD) and International Long Distance (ILD) (collectively referred as "Telecom Licenses") by execution of the Tripartite Agreements with DoT and the Security Trustee acting on behalf of the Lenders. Further, assignment of the Telecom Licences of the Company for rupee loans from banks of ₹ 1,492 crore and from others of ₹ 248 crore is pending to be executed. Apart from above Rupee Loan also includes ₹ 398 crore which is secured by Spectrum, acquired during the year under the scheme of demerger, (Refer Note 2.04.2) is pending to be executed.

The Company has, for the benefit of the Lenders of SCNs, Foreign Currency Loans and Rupee Loans aggregating to ₹ 19,102 crore, apart from the above security, pledged equity shares of RCIL held by the Company and of RTL held by the Company and Reliance Realty Limited by execution of the Share Pledge Agreement with the Share Pledge Security Trustee. Rupee Loans of ₹ 5,463 crore is also secured by pledge of equity shares of RITL held by RCIL, current assets, movable assets including intangible, both present and future of the Borrower Group and Corporate Guarantee of the Borrower Group. Charge over the immovable assets except three immovable assets of the Borrower Group and RGBV security for Rupee Loans of ₹ 5,463 crore is pending to be executed.

2.22.2 (Note 2.22.1 of Annual Accounts)

Rupee Loans of ₹ 750 crore is secured by first pari passu charge on the whole of the movable Plant and Machinery including (without limitations) tower assets and optic fiber cables, if any (whether attached or otherwise), capital work in progress (pertaining to the movable fixed assets), both present and future including all the rights, title, interests, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group. Rupee Loans of ₹ 1,741 crore is secured by second charge over movable Fixed Assets of the Borrower Group. Rupee Loans of ₹ 1,072 crore is secured by second charge over Assets of the Borrower Group, is pending to be created.

2.22.3 (Note 2.01.3 of Annual Accounts)

Foreign Currency Loans of ₹ 1,623 crore availed by RITL and Foreign Currency Loans of ₹ 1,341 crore availed by RTL are secured by first pari passu charge on movable fixed assets of the Borrower Group. Apart from this, Rupee Loan of ₹ 1,109 crore availed by RITL have been secured by second pari passu charge and Rupee loan of ₹ 615 crore availed by RTL have been secured by first pari passu charge on movable Fixed Assets of the Borrower Group. Further non fund based outstanding of ₹ 3,643 crore availed by the Company, ₹ 241 crore availed by RTL and ₹ 4 crore by RCIL have been secured by second pari passu charge on movable Fixed Assets of the Borrower Group.

2.22.4 (Note 2.18.3 of Annual Accounts)

Delay/Default in repayment of Borrowing (Current and Non Current) and Interest

The Company has delayed/defaulted in the payment of dues to the financial institutions, banks and debenture holders. The lender wise details are as under:

Sr.	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018	
		Amount (₹ in crore)	Period (Maximum days)	Amount (₹ in crore)	Period (Maximum days)	Amount (₹ in crore)	Period (Maximum days)	Amount (₹ in crore)	Period (Maximum days)
I	**Loan from Banks**								
	Axis Bank	100	87	-	-	5	80	-	-
	Ahli United Bank B.S.C.*	-	-	98	111				
	Bank of Baroda	-	-	802	389	24	87	11	366
	Bank of India	-	-	280	366	16	87	9	366
	Bank of Maharashtra	27	85	473	318				
	Canara Bank	59	25	237	275	8	25	-	-
	Central Bank of India	-	-	112	366	6	87	3	366
	Corporation Bank	-	-	266	388	5	87	8	366
	Credit Agricole Corporate & Investment Bank	-	-	192	377	1	14	-	-

Notes on Accounts to Abridged Financial Statements

Sr.	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018	
		Amount (₹ in crore)	Period (Maximum days)	Amount (₹ in crore)	Period (Maximum days)	Amount (₹ in crore)	Period (Maximum days)	Amount (₹ in crore)	Period (Maximum days)
	DBS Bank	112	60	300	185	4	7	-	-
	Dena Bank	-	-	250	53				
	Deutsche Bank*	180	82	391	111	4	7	1	284
	HDFC Bank	56	18	-	-				
	China Development Bank*	768	305	2,185	398	7	197	128	398
	Industrial and Commercial Bank of China*	130	305	551	398	7	197	33	398
	Export Import Bank of China*	264	305	814	398	7	197	47	398
	IDBI Bank	-	-	331	370	18	87	9	366
	Indian Overeseas Bank	-	-	52	366	3	87	1	366
	IndusInd Bank	1,500	59	-	-	26	61	-	-
	Oriental Bank of Commerce	-	-	91	366	4	87	2	366
	Punjab National Bank	70	169	593	367	-	-	-	-
	Standard Chartered Bank	293	111	1,072	355	3	56	-	-
	State Bank of India	-	-	1,258	366	40	87	21	366
	Syndicate Bank*	-	-	423	389	9	87	5	366
	UCO Bank	-	-	296	366	17	87	9	366
	Union Bank of India	-	-	599	366	5	3	3	366
	United Bank of India	13	147	341	366	4	87	2	366
	Yes Bank	71	92	-	-	6	112	-	-
II	**Debenture**								
	Life Insurance Corporation of India	375	62	375	53	72	40	-	-
III	**Other Loans**								
	Industrial Finance Corporation of India Limited	-	-	125	382	-	-	4	382
	India Infrastructure Finance Corporation Limited	-	-	4	183	2	88	4	397
	Reliance Capital Limited	-	-	-	-	-	-	3	366
	Reliance Unicorn Enterprise Private Limited	-	-	-	-	-	-	53	366
	Reliance Cleangen Limited	-	-	-	-	9	21	14	366
	Kunjbihari Developers Private Limited	-	-	-	-	-	-	1	366
IV	**Total**	**4,018**		**12,511**		**312**		**371**	

* facility recalled

2.22.5 (Note 2.18.4 of Annual Accounts)

Pending the finalisation of overall debt resolution plan, long term borrowings which are not recalled for payment is continued to be classified as non current liabilities.

2.22.6 (Note 2.18.5 of Annual Accounts)

Confirmation in respect of certain borrowings aggregating to ₹ 3,583 crore have not been received and the same has been reflected on the basis of information available with the Company.

2.22.7 (Note 2.18.6 of Annual Accounts)

During the year, there was a delay of 11days in case of installment payment of ₹ 22 crore to Department of Telecommunications. Further, as at March 31, 2018, ₹ 281 crore was outstanding, delayed by 10 days which was subsequently paid.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
Note 2.23 (Note 2.10 of Annual Accounts)		
Cash and Cash equivalents		
Cheques on hand	**32**	26
Balances with Banks	**82**	422
Bank Deposits with less than 3 months' maturity	**33**	7
	147	455
Note 2.24 (Note 2.11 of Annual Accounts)		
Bank Balances other than Cash and Cash equivalents		
Bank Deposits with less than 12 months' maturity	**51**	183
Earmarked Balances- Unpaid Dividend	**3**	5
	54	188

Note 2.25 (Note 2.05 of Annual Accounts)

	Deferred Tax Assets (net)	**As at March 31**		**For the year ended March 31,**	
(a)	**Amount recognised in Financial Statement**	**2018**	2017	**2018**	2017
(i)	**Deferred Tax Assets**				
	Related to carried forward loss and unabsorbed depreciation	**5,848**	4,470	**(1,378)**	(2,072)
	Disallowances, under the Income Tax Act, 1961	**54**	43	**(11)**	41
	Related to Provisions for expenses	**1,052**	1,034	**(18)**	2
	Others	**50**	29	**(21)**	42
	Sub Total (i)	**7,004**	5,576	**(1,428)**	(1,987)
(ii)	**Deferred Tax Liabilities**				
	Related to temporary difference on depreciation/ amortisation	**(637)**	(1,908)	**(1,271)**	(70)
	Related to temporary difference on Indexed cost of immovable properties	**(110)**	(110)	**-**	(2)
	Sub Total (ii)	**(747)**	(2,018)	**(1,271)**	(72)
Net Deferred Tax Assets /		**6,257**	3,558	**-**	
Deferred Tax (Credit) (i)-(ii)				**(2,699)**	(2,059)
Restricted to		**3,558**		**-**	

Notes on Accounts to Abridged Financial Statements

The Company has unabsorbed business losses/depreciation and long term capital losses which according to the management will be used to setoff taxable profit arising, in next few years from, operation and/or sale of asset of the Company.

Significant management judgement has been considered in determining the provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimate of the taxable income for the period over which deferred tax assets will be recovered.

Deferred Tax Assets have not been recognised in respect of long term capital losses as at March 31, 2018 is as under:

Sr.	**Year of Expiry** **Financial year**	**Amount of Loss** (₹ in crore)
(i)	Expiring within 1 year	751
(ii)	Expiring within 1 to 5 years	151
(iii)	Expiring within 5 to 7 years	67

(b) Amounts recognised in Statement of Profit and Loss

(₹ in crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	Current Tax	**-**	-
(ii)	Short provision for earlier years	**1**	-
(iii)	Deferred income tax liability / (asset), (net)	**-**	(2,059)
	Tax expense/(credit) for the year	**1**	(2,059)

(c)	**Amounts recognised in other comprehensive income** Previous year (₹ 39,06,479)	**1**	-

(₹ in crore)

(d)	**Reconciliation of Tax Expenses**	**For the year ended March 31, 2018**	For the year ended March 31, 2017
	Profit/ (Loss) before Tax	**(9,869)**	(3,855)
	Applicable Tax Rate	**34.608%**	34.608%
	Computed Tax Expenses (i)	**(3,415)**	(1,334)
	Add/ (Less):		
	- Tax allowances of earlier years	**1**	(367)
	- Tax charge to/ credit on account of depreciation allowances	**716**	(400)
	- Deferred tax not recognised for the year (restricted)	**2,699**	-
	- Others	**-**	42
	Sub total (ii)	**3,416**	(725)
	Income Tax Expenses charge/ (credit) to Statement of Profit and Loss (i+ii)	**1**	(2,059)

The Company's weighted average tax rates for the years ended March 31, 2018 and 2017 have been (0.01%) and 53% respectively. The effective tax rate for the year ended March 31, 2018 has been lower primarily as a result of the facts mentioned above.

Note 2.26 (Note 2.52 of Annual Accounts)
Segment Performance

Disclosure as per Ind AS 108 "Operating Segments" is reported in Consolidated Accounts of the Company. Therefore, the same has not been separately disclosed in line with the provision of Ind AS.

Notes on Accounts to Abridged Financial Statements

Note 2.27 (Note 2.15 of Annual Accounts)

(a) Assets held for Sale

During the year, consequent to discontinuance of wireless business, the following assets have been classified as Assets held for Sale and recorded at lower of carrying amount and fair value less cost to sell. Refer note 2.22.1, 2.22.2 and 2.22.3 for security in favour of lenders.

	For the year ended March 31, 2018		
Particulars	**Net Block Reclassified from PPE and Intangible Assets**	**Provision for Impairment**	**Assets Held for Sale (net)**
Tangible			
Plant and Machinery	12,116	6,253	5,863
Freehold Land	400	-	400
Leasehold Land	15	-	15
Buildings	206	-	206
Capital Work in Progress	132	-	132
Sub total	**12,869**	**6,253**	6,616
Intangible			
Telecom License	17,185	2,682	14,503
Software	37	37	-
Intangible Assets under Development	69	-	69
Sub total	**17,291**	**2,719**	**14,572**
Total	**30,160**	**8,972**	**21,188**

(b) Provision for Diminution in the value of investments and other assets ₹ 3,931 crore

(c) Liabilities directly related to Assets held for Sale

	As at March 31, 2018
Deferred Payment Liabilities	**3,419**
Interest Accrued on Deferred Payment Liabilities	**723**
	4,142

Note 2.28 (Note 2.53 of Annual Accounts)
Authorisation of Financial Statements

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors on May 30, 2018.

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Independent Auditors' Report on the Abridged Consolidated Ind AS Financial Statements

To The Members of
Reliance Communications Limited

Report on the Abridged Consolidated Ind AS Financial Statements

1. The accompanying abridged consolidated Ind AS financial statements, which comprise the abridged consolidated Balance Sheet as at 31 March 2018, the abridged consolidated Statement of Profit and Loss (including Other Comprehensive Income), abridged consolidated Statement of Cash Flow and the abridged consolidated Statement of Changes in Equity for the year then ended, and summary of significant accounting policies and related notes, are derived from the audited consolidated Ind AS financial statements of Reliance Communications Limited ('the Company' or 'the holding Company') for the year ended 31 March 2018. We expressed a qualified opinion on those financial statements including matter of emphasis in our report dated 30 May 2018.

2. The abridged consolidated Ind AS financial statements do not contain all the disclosures required by the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Rules, 2016 issued by Ministry of Corporate Affairs and accounting principles generally accepted in India, applied in the preparation of the audited consolidated Ind AS financial statements of the Company. Reading the abridged consolidated Ind AS financial statements, therefore, is not a substitute for reading the audited consolidated Ind AS financial statements of the Company.

Management's Responsibility for the Abridged Consolidated Ind AS Financial Statements

3. The Company's Board of Directors is responsible for the preparation of a summary of the audited consolidated Ind AS financial statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited consolidated Ind AS financial statements for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Ind ian Accounting Standard) Amendment Rules, 2016 and accounting principles generally accepted in India. As explained in Note 1.4(a) of abridged Consolidated Ind AS financial statements have been prepared as per the format prescribed in Form AOC 3A.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the abridged consolidated Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Basis for Qualified Opinion

5. The auditors' report on the audited Consolidated Ind AS financial statements contains Qualified Opinion, which are applicable for abridged consolidated Ind AS financial statements as well. The basis of Qualified Opinion paragraph given in the auditors' report on consolidated Ind AS financial statements of the company are as under:

   We draw attention to Note 2.25 of the abridged consolidated Ind AS financial statements regarding non provision of interest amounting to ₹ 3,609 crore for the year ended 31st March, 2018 on Borrowings taken by the Company and its Subsidiary Companies. Had such interest has been provided then the reported loss for the year ended 31st March ,2018 would have been ₹ 27,516 crore and negative net worth of the company would have been ₹ 826 crore .

Qualified Opinion

6. In our opinion, the abridged consolidated Ind AS financial statements, prepared in accordancewith Section 136(1) readwith Rule 10 of the of Companies (Accounts) Rules, 2014 are derived from the audited consolidated Ind AS financial statements of the Company for the year ended 31 March, 2018 and are a fair summary of those consolidated Ind AS financial statementsexcept matter specified in Basis of Qualified opinion above and read with Emphasis of Matter paragraph7 (a) and (b) below, regarding exercise of option available as per the Court Order which overrides the requirement of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Error'

Emphasis of Matter

7. The auditors' report on the audited Consolidated Ind AS financial statements contains Emphasis of Matter paragraphs, which are applicable for abridged consolidated Ind AS financial statements as well. The basis of Emphasis of Matter paragraphs given in the auditors' report on consolidated Ind AS financial statements of the company are as under:

   a. We draw attention to Note 2.10.1 (v) of the abridged consolidated Ind AS financial statements regarding the Scheme of Arrangement ('the Scheme') sanctioned on 03 July 2009 by the Hon'ble High Court of Judicature at Mumbai, the Holding Company is permitted to adjust additional depreciation/amortisation, expenses and/or losses, which have been or are required to be debited to the Statement of Profit and Loss by a corresponding withdrawal or credit from/to General Reserve, as determined by the Board of Directors. During the year ended the company has withdrawn ₹ 280 crore (previous year ₹ 1205 crore) to offsetadditional depreciation/amortisation on account of fair valuation of certain assets which may be considered to override the relevant provisions of Schedule II of the Act and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

   b. We further draw attention to Note 2.16 of the abridged consolidated Ind AS financial statements regarding the Scheme of Arrangements ('the Scheme') sanctioned by the Hon'ble High Court of Judicature at Mumbai and Gujarat, Which permit the Holding Company and its subsidiary namely, Reliance Infratel Limited ('RITL') to adjust expenses and/or losses identified by the Board of Directors, which are required to be debited to the Statement of profit and loss by a corresponding withdrawal from General Reserve and Reserve for Business Restructuring, which is considered to be an override to the relevant provisions of Ind AS 8.

The Holding Company and its subsidiary RITL have identified exchange variations incurred during the year of ₹ 25 crore (previous year ₹ 9 crore), amortisation of Foreign Currency Monetary Items Translation Account (FCMITDA) ₹ 252 crore (previous year ₹ 238 crore), depreciation on exchange losses capitalised of ₹ 221 crore (previous year ₹ 467 crore) and impairment charge arising on account of asset held for sale and diminution in the value of investments ₹ 2,948 crore (previous year ₹ Nil), as in the opinion of the Board, such exchange variations are considered to be of an exceptional nature and accordingly, these expenses have been met by corresponding withdrawal from General Reserve and Reserve for Business Restructuring.

Had the effect of paragraphs (a) and (b) above, not been met from General Reserve and Reserve for Business Restructuring, the Company would have reflected a loss after tax for the year of ₹ 27,583 crore (previous year ₹ 3,202 crore).

c. We draw attention to Note 2.08 of the abridged Consolidated Ind AS financial statements, regarding the Definitive Binding Agreement for monetization of assets of the company and its two subsidiaries Reliance Infratel Limited (RITL) & Reliance Telecom Limited (RTL) and National Company Law Appellate Tribunal (NCLAT) order dated 30 May 2018 staying NCLT order dated 15 May 2018 admitting the Company under Insolvency and Bankruptcy Code (IBC), 2016. The Company is confident that suitable resolution plan would be formulated by lenders in view of order admitting the Company under IBC proceedings is vacated/stayed, accordingly financial statements of the Company have been prepared on going concern basis.

Other matters

8. 1. The holding Company has computed goodwill on consolidation by comparing the cost of investments with the equity of subsidiaries as on date on which investments were made by Reliance Industries Limited ('the transferor company') prior to demerger instead of considering the date of demerger as the date of investment.

2. We did not audit the Ind AS financial statements of certain subsidiaries whose Ind AS financial statements (including Five subsidiaries classified as discontinued operations) reflect total assets of ₹ 22,093 crore as at 31 March 2018, total revenue from continuing operations of ₹ 3,165 crore and total revenues from discontinued operations of ₹ 293 crore and net cash outflows from continuing operations of ₹ 72 crore and net cash outflows from discontinued operations of ₹ 22 crore for the year ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. The Ind AS financial statements of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

3. We have relied on the unaudited Ind AS financial statements of the subsidiaries whose Ind AS financial statements reflect total assets of ₹ 5,270 crore as at 31 March 2018, total revenue of ₹ 146 crore and net cash outflows amounting to ₹ 50 crore for the year ended 31 March 2018. We also did not audit the Ind AS financial statements of two associates considered in the consolidated Ind AS financial statements, whose Ind AS financial statements reflect the Company's share of net profit of ₹ 5crore for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statement, in respect of two associate. These unaudited Ind AS financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management, and our report in so far as it relates to the amounts included in respect of the subsidiaries and associates is based solely on such board approved Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements certified by the management.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

Independent Auditor's Report

To the Members of
Reliance Communications Limited

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Reliance Communications Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

   We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

4. We draw attention to Note 2.54 of the consolidated Ind AS financial statements regarding non provision of interest amounting to ₹ 3,609 crore for the year ended 31st March, 2018 on Borrowings taken by the Company and its Subsidiary Companies. Had such interest has been provided then the reported loss for the year ended 31st March, 2018 would have been ₹ 27,516 crore and negative net worth of the Company would have been ₹ 826 crore.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, except to the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at 31st March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

6. a) We draw your attention to Note 2.39.1(v) of the consolidated Ind AS financial statements regarding the Scheme of Arrangement ('the Scheme') sanctioned on 03 July 2009 by the Hon'ble High Court of Judicature at Mumbai. The Company is permitted to adjust additional depreciation and amortisation, expenses and/or losses, which have been or are required to be debited to the Statement

of Profit and Loss by a corresponding withdrawal or credit from/to General Reserve, as determined by the Board of Directors. During the year ended the Company has withdrawn ₹ 280 crore (previous year ₹ 1205 crore) to offset additional depreciation/ amortisation on account of fair valuation of certain assets which may be considered to override the relevant provisions of Schedule II of the Act and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

b) We further draw attention to Note 2.45 of the consolidated Ind AS financial statements regarding the Scheme of Arrangements ('the Scheme') sanctioned by the Hon'ble High Court of Judicature at Mumbai and Gujarat, which permit the Holding Company and its Subsidiary namely, Reliance Infratel Limited ('RITL') to adjust expenses and/ or losses identified by the Board of Directors, which are required to be debited to the Statement of Profit and Loss by a corresponding withdrawal from General Reserve and Reserve for Business Restructuring, which is considered to be an override to the relevant provisions of Ind AS 8.

The Holding Company and its Subsidiary RITL have identified exchange variations incurred during the year of ₹ 25 crore (previous year ₹ 9 crore), amortisation of Foreign Currency Monetary Items Translation Account (FCMITDA) ₹ 252 crore (previous year ₹ 238 crore), depreciation on exchange losses capitalised of ₹ 221 crore (previous year ₹ 467 crore) and impairment charge arising on account of asset held for sale and diminution in the value of investments ₹ 2,948 crore (previous year ₹ Nil), as in the opinion of the Board, such exchange variations are considered to be of an exceptional nature and accordingly, these expenses have been met by corresponding withdrawal from General Reserve and Reserve for Business Restructuring.

Had the effect of paragraphs (a) and (b) above, not been met from General Reserve and Reserve for Business Restructuring, the Company would have reflected a loss after tax for the year of ₹ 27,583 crore (previous year ₹ 3,202 crore).

c) We draw attention to Note 2.37 of the Consolidated Ind AS financial statements, regarding the Definitive Binding Agreement for monetization of assets of the Company and its two subsidiaries Reliance Infratel Limited (RITL) & Reliance Telecom Limited (RTL) and National Company Law Appellate Tribunal (NCLAT) order dated 30 May 2018 staying NCLT order dated 15 May 2018 admitting the Company under Insolvency and Bankruptcy Code (IBC), 2016. The Company is confident that suitable resolution plan would be formulated by lenders in view of order admitting the Company under IBC proceedings is vacated/stayed, accordingly financial statements of the Company have been prepared on going concern basis.

Similar Emphasis of Matter paragraphs are referred to in the Auditor's reports of the above two subsidiary companies.

Our opinion is not modified in respect of above matters.

Other Matters

7. a) The Holding Company has computed goodwill on consolidation by comparing the cost of investments with the equity of subsidiaries as on date on which investments were made by Reliance Industries Limited ('the transferor company') prior to demerger instead of considering the date of demerger as the date of investment.

b) We did not audit the Ind AS financial statements of certain subsidiaries whose Ind AS financial statements (including Five subsidiaries classified as discontinued operations) reflect total assets of ₹ 22,093 crore as at 31 March 2018, total revenue from continuing operations of ₹ 3,165 crore and total revenues from discontinued operations of ₹ 293 crore and net cash outflows from continuing operations of ₹ 72 crore and net cash outflows from discontinued operations of ₹ 22 crore for the year ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. The Ind AS financial statements of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

c) We did not audit the Ind AS financial statements of certain subsidiaries considered in the preparation of the consolidated Ind AS financial statements, whose Ind AS financial statements reflects total assets of ₹ 5,270 crore as at 31 March 2018, total revenue of ₹ 146 crore and net cash outflows amounting to ₹ 50 crore for the year ended on that date. We also did not audit the financial statements of two associates considered in the consolidated Ind AS financial statements, whose Ind AS financial statements reflect Group's share of net profit of ₹ 5 crore for the year ended 31 March 2018.

These unaudited Ind AS financial statements are approved by the respective Board of Directors of these subsidiaries and associates have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such board approved unaudited Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and

Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above,

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under, except requirement of IND AS 23 on "Borrowing Cost" with regard to matters described in the Basis of Qualified Opinion paragraph above and read with Emphasis of Matter paragraph above, regarding exercise of option available as per the Court order which overrides the requirement of Ind AS 8;

(e) The going concern matter described in paragraph 6 (c) under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

(f) on the basis of the written representations received from the directors of the Holding Company and its subsidiaries incorporated in India as on 31 March 2018, taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiaries incorporated in India, none of the directors of the Holding Company and its subsidiaries incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act;

(g) based on the comments in the auditors' reports of the Holding Company and the subsidiaries incorporated in India, we give in "Annexure A", our report on the adequacy of the internal financial reporting and the operative effectiveness of such controls;

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 2.41 to the consolidated financial statements.

   ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries incorporated in India.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

'Annexure A' to the Independent Auditor's Report – 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Reliance Communications Limited (hereinafter referred to as "the Holding Company") and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding and its subsidiaries incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

'Annexure A' to the Independent Auditor's Report – 31 March 2018

Opinion

6. In our opinion, the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

7. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to certain subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Pathak H.D. & Associates**
Chartered Accountants
Firm's Registration No: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
30 May 2018

Abridged Consolidated Balance Sheet as at March 31, 2018

(Statement containing the salient features of Consolidated Balance Sheet as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ in crore)

		As at March 31, 2018		As at March 31, 2017
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	16,501		49,801	
(b) Capital Work in Progress	265		1,909	
(c) Goodwill	3,549		3,548	
(d) Other Intangible Assets	789		17,494	
(e) Intangible Assets under Development	–		981	
(f) Investment in Associates	21		21	
(g) Financial Assets				
(i) Investments - Quoted	11		11	
- Unquoted ₹ 4,000 (Previous year ₹ 4,000)	–		–	
(ii) Other Financial Assets	173		246	
(h) Deferred Tax Asset (net)	3,574		3,670	
(i) Income Tax Asset (net)	579		964	
(j) Other Non Current Assets	3,657	**29,119**	8,079	**86,724**
Current Assets				
(a) Inventories	79		235	
(b) Financial Assets				
(i) Investments - Quoted ₹ 30,52,000 (Previous year ₹ 29,79,205)	–		–	
- Unquoted ₹ 2,54,500 (Previous year ₹ 2,54,500)	–		–	
(ii) Trade Receivables	2,133		3,251	
(iii) Cash and Cash Equivalents	611		1,024	
(iv) Bank Balances other than (iii) above	129		295	
(v) Other Financial Assets	156		715	
(c) Other Current Assets	5,517		7,487	
(d) Assets held for Sale	36,834	**45,459**	–	**13,007**
TOTAL ASSETS		**74,578**		**99,731**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		**1,383**		**1,244**
(b) Other Equity		**1,400**		**27,325**
Attributable to Equity Shareholders of the parent		**2,783**		**28,569**
Non Controlling Interest		**332**		**400**
Total Equity		**3,115**		**28,969**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13,021		22,550	
(ii) Deferred Payment Liabilities	–		3,328	
(iii) Other Financial Liabilities	–		459	
(b) Deferred Revenue	2,926		3,303	
(c) Other Non Current Liabilities	83		87	
(d) Deferred Tax Liabilities (net)	2,517		4,550	
(e) Provisions	438	**18,985**	451	**34,728**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23,242		9,499	
(ii) Trade Payables	4,868		4,746	
(iii) Other Financial Liabilities	12,773		17,391	
(b) Deferred Revenue	2,353		1,377	
(c) Other Current Liabilities	1,293		1,764	
(d) Income Tax Liabilities (net)	13		12	
(e) Provisions	1,237		1,245	
(f) Liabilities directly related to Assets held for Sale	6,699	**52,478**	–	**36,034**
TOTAL EQUITY AND LIABILITIES		**74,578**		**99,731**

Refer Significant Accounting Policies

Refer Notes on Accounts

Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated May 30, 2018

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2018
(Statement containing the salient features of Consolidated Statement of Profit and Loss as per first proviso to sub-section 1 of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ in crore)

			For the year ended March 31, 2018		For the year ended March 31, 2017
1	**INCOME**				
	(a) Revenue from Operations		**4,593**		6,554
	(b) Other Income		**91**		83
	(c) Total Income ((a) + (b))		**4,684**		6,637
2	**EXPENSES**				
	(a) Access Charges		**664**		1,348
	(b) License Fees and Network Expenses		**2,158**		2,978
	(c) Employee Benefits Expenses		**427**		442
	(d) Finance Costs		**186**		255
	(e) Depreciation, Amortisation and Provision for Impairment		**721**		821
	(f) Sales and General Administration Expenses		**536**		641
	(g) Total Expenses ((a) to (f))		**4,692**		6,485
3	**Profit/ (Loss) before share of Profit of Associates, Exceptional Items and Tax (1(c) - 2(f))**		**(8)**		152
4	Share of Loss/ (Profit) of Associates		**(5)**		(3)
5	**Profit /(Loss) before Exceptional Items and Tax (3 + 4)**		**(3)**		155
6	**Exceptional Items**		**-**		-
7	**Profit/(Loss) before Tax (5-6)**		**(3)**		155
8	Tax Expense:				
	(a) Current Tax	4		24	
	(b) Short/(Excess) provision of earlier years	-		(22)	
	(c) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	12		(92)	
	(d) **Total Tax Expense**		**16**		(90)
9	**Profit/(Loss) after Tax (7 - 8)**		**(19)**		245
10	Profit/ (Loss) Before Exceptional Items and Tax from Discontinued Operations		**(4,556)**		(2,542)
11	**Exceptional Items**				
	Provision for Impairment of Assets held for Sale		**24,203**		-
	Amount withdrawn from General Reserve		**(1,661)**		-
	Amount withdrawn from Reserve for Business Restructuring		**(1,287)**		-
	Depreciation and amortisation		**280**		1,205
	Equivalent amount withdrawn from General Reserve (Refer Note 2.10.1(v))		**(280)**		(1,205)
	Depreciation on account of change in exchange rate		**221**		467
	Equivalent amount withdrawn from General Reserve		**(221)**		(467)
	Foreign Currency Exchange Fluctuation Loss (net)		**227**		247
	Equivalent amount withdrawn from General Reserve		**(227)**		(247)
12	**Profit /(Loss) before Tax from Discontinued Operations (10-11)**		**(25,811)**		(2,542)
13	Tax Charge / (Credit) on Discontinued Operations		**(1,923)**		(1,014)
14	**Profit /(Loss) after Tax from Discontinued Operations (12-13)**		**(23,888)**		(1,528)
15	**Other Comprehensive Income**				
	(a) Items that will not be reclassified to profit or loss				
	(i) Remeasurement gain/ (loss) of defined employee benefit plans (net of tax)		**4**		(1)
	(ii) Net gain/ (loss) on Equity Shares carried out at fair value (net of tax)		**-**		(1)
	(b) Items that will be reclassified to profit or loss				
	(i) Exchange difference on translation of financial statements of foreign operations		**(47)**		(35)
	Other Comprehensive Income/ (Loss) for the year		**(43)**		(37)
16	**Total Comprehensive Income/(Loss) for the year(9+14+15)**		**(23,950)**		(1,320)
17	**Profit/ (Loss) for the year attributable to**				
	Shareholders		**(23,839)**		(1,403)
	Non Controlling Interest		**(68)**		120
18	**Total Comprehensive Income/ (Loss) attributable to**				
	Shareholders		**(23,882)**		(1,440)
	Non Controlling Interest		**(68)**		120
19	**Earnings per Share of face value of ₹ 5 each fully paid up** (after exceptional items) (Basic and Diluted) (Refer Note 2.15)				
	Continuing Operations		**(0.07)**		0.99
	Discontinued Operations		**(92.22)**		(6.68)
	Continuing and Discontinued Operations		**(92.29)**		(5.69)

Refer Significant Accounting Policies
Refer Notes on Accounts
Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated May 30, 2018

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Abridged Consolidated Statement of Changes in Equity for the year ended March 31, 2018

Abridged Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(₹ in crore)

(a) Equity Share Capital	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	**1,244**	1,244
Change in equity share capital during the year – under Scheme of Demerger (Refer Note 2.10.2)	**139**	-
Balance at the end of the year	**1,383**	1,244

(b) Other Equity (₹ in crore)

Particulars	Attributable to the equity holders										
	Reserves and Surplus								Other Comprehensive Income		
	Capital Reserve	Securities Premium	General Reserve	Reserve for Business Restructuring	Debenture Redemption Reserve	Retained Earnings	Treasury Equity	FCMITDA*	Exchange Fluctuation Reserve	Others	Total
Balance as at April 01, 2016	1,384	13,894	4,341	1,287	590	9,901	(391)	(805)	136	2	30,339
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(1,403)	-	-	-	-	(1,403)
Other Comprehensive Income	-	-	-	-	-	-	-	-	(35)	(2)	(37)
Transfer to Statement of Profit and Loss	-	-	(1,919)	-	-	-	-	-	-	-	(1,919)
Movement in FCMITDA	-	-	-	-	-	-	-	344	-	-	344
Non Controlling Interest	-	-	1	-	-	-	-	-	-	-	1
Balance as at March 31, 2017	**1,384**	**13,894**	**2,423**	**1,287**	**590**	**8,498**	**(391)**	**(461)**	**101**	**-**	**27,325**
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(23,839)	-	-	-	-	(23,839)
Other Comprehensive Income	-	-	-	-	-	-			(47)	4	(43)
Transfer to Statement of Profit and Loss	-	-	(2,389)	(1,287)	-	-	-	-	-	-	(3,676)
Movement in FCMITDA	-	-	-	-	-	-	-	236	-	-	236
Upon Scheme of Demerger (Refer Note 2.10.2)	1,397	-	-	-	-	-	-	-	-	-	1,397
Balance as at March 31, 2018	**2,781**	**13,894**	**34**	**-**	**590**	**(15,341)**	**(391)**	**(225)**	**54**	**4**	**1,400**

*FCMITDA: Foreign Currency Monetary Items Translation Difference Account

Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated May 30, 2018

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director — **Punit Garg**

Director and Chief Financial Officer — **Manikantan V.**

Company Secretary — **Prakash Shenoy**

Abridged Consolidated Statement of Cash Flow for the year ended March 31, 2018

(₹ in crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
A	**Cash from/ (used in) Operating Activities**	**964**	(388)
B	**Cash from/ (used in) Investing Activities**	**(268)**	812
C	**Cash from / (used in) Financing Activities**	**(904)**	(173)
	Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(208)**	251
	Opening Balance of Cash and Cash Equivalents	**815**	564
	Effect of Exchange Gain/ (Loss) on Cash and Cash Equivalents ₹ 12,29,851 (Previous year ₹ 19,646)	-	-
	Closing Balance of Cash and Cash Equivalents	**607**	815

	April 1, 2017	Cashflow	Foreign Exchange Movement	Taken over under Scheme	Transaction Cost	March 31, 2018
Borrowings	45,733	505	75	678	242	47,233

Notes:

(a) Cash and Cash Equivalents include cash on hand, cheques on hand, remittances- in-transit and bank balance including Fixed Deposits with Banks.

(b) Statement of Cashflow has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cashflows".

(c) Cash and Cash Equivalents are net of Bank overdraft as required under Ind AS 7

(d) Break up of Cash and Cash Equivalents

		As at March 31, 2018	As at March 31, 2017
(i)	Cash and Cash Equivalents	**611**	1,024
(ii)	Less: Bank overdraft	**(4)**	(209)
(iii)	Cash and Cash Equivalents (net) as per Ind AS 7	**607**	815

Note : Complete Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, other statements and notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's website www.rcom.co.in. Copy of financial statement is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of Annual General Meeting.

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director	**Punit Garg**
Director and Chief Financial Officer	**Manikantan V.**
Company Secretary	**Prakash Shenoy**

Significant Accounting Policies to the Abridged Consolidated Financial Statements

Note 1

General Information and Significant Accounting Policies

1.1 General Information

Reliance Communications Limited ("RCOM" or "the Company"), is registered under the Companies Act, 1956, having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 and its securities are listed on the BSE Limited and the National Stock Exchange of India Limited.

RCOM has established pan India, next generation, digital network that is capable of supporting the best of class services spanning the entire communications value chain. RCOM and its subsidiaries own and operate the world's largest next generation IP enabled connectivity infrastructure, comprising of fibre optic cable systems in India and globally.

1.2 Principles of Consolidation

The Consolidated Financial Statements relate to the Company, all of its subsidiary companies and associates (hereinafter collectively referred to as "the Group"). The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interest in associates and the joint venture are accounted for using the equity method. The financial statements of entities are included in the consolidated financial statements from the date on which control commences and until the date on which control ceases. The Consolidated Financial Statements have been prepared on the following bases.

(a) The financial statements of the Company and its subsidiaries are consolidated by combining like items of assets, liabilities, incomes and expenses and cash flows after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or loss in accordance with the Indian Accounting Standard ("Ind AS") 110 "Consolidated Financial Statements" as referred to in the Indian Accounting Standards Rules, 2015 and as amended from time to time.

(b) Investments in subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of investment or on the date of the financial statements immediately preceding the date of investment in subsidiaries are recognised as Goodwill or Capital Reserve, as the case may be. Investment in associates and joint ventures are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity accounted investees, until the date on which significant influence or joint control ceases. When the Group's share of loss in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(c) Changes in ownership interests for transactions with non controlling interests that do not result in loss of control are treated as the transactions with the equity owners of the Group. For purchases from non controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset.

(d) Share of Non Controlling Interest in net profit or loss of consolidated subsidiaries for the year is identified and adjusted against income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Company.

(e) Share of Non Controlling Interest in net assets of consolidated subsidiaries is identified and presented in the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated balance sheet respectively as a separate item from liabilities and the Shareholders' Equity.

(f) The Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as far as possible, as the standalone financial statements of the Company.

1.3 Recent Accounting developments

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs (the MCA), Government of India (GoI) notified Ind AS 115 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from April 1, 2018.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 proposes a change from the age-old transfer of 'Risk And Rewards' to a 'Control' model. Under Ind AS 115, revenue is recognised when control over goods or services is transferred to a customer, which under current GAAP is based on the transfer of risks and rewards. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

The entities will have to determine whether revenue should be recognised 'over time' or 'at a point in time'. As a result, it will be required to determine whether control is transferred over time. If not, only then revenue will be recognised at a point in time, or else over time. Ind AS 115 focuses mainly on what the customer expects from a supplier under a contract. Companies will have to necessarily determine if there are multiple distinct promises in a contract or a single performance obligation (PO). These promises may be explicit, implicit or based on past customary business practices. The consideration will then be allocated to multiple POs and revenue recognised when control over those distinct goods or services is transferred.

The entities may agree to provide goods or services for consideration that varies upon certain future events which may or may not occur. This is variable consideration, a wide term and includes all types of negative and positive adjustments to the revenue. This could result in earlier recognition of revenue compared to current practice – especially impacting industries where revenue is presently not recorded untill all contingencies are resolved. Further, the entities will have to adjust the transaction price for the time value of money. Where the collections from customers are deferred the revenue will be lower than the contract price, and interestingly in case of advance collections, the effect will be opposite resulting in revenue exceeding the contract price with the difference accounted as a finance expense. This may impact entities having significant advance or deferred collection arrangements e.g. real estate infrastructure, EPC, IT Services etc.

Ind AS 21: The effect of changes in foreign exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

These amendments do not have any significant impact on financial statements.

1.4 Other Significant Accounting Policies

(a) Basis of Preparation of Consolidated Financial Statements

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

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

(b) Functional Currency and Presentation Currency

These consolidated financial statements are presented in Indian Rupees ("Rupees" or "₹") which is functional currency of the Company. All amounts are rounded off to the nearest crore, unless stated otherwise.

(c) Use of Estimates

The preparation and presentation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The Management also needs to exercise judgement in applying the accounting policies. This note provides an overview of the areas that involved a higher degree of judgments or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The Group has based assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgements pertain to current tax expense and tax payable, fair value of unlisted securities, goodwill impairment, estimated useful life of property, plant and equipment including intangible assets, measurement of defined benefit obligation, provision for asset retirement obligation, recognition of deferred tax assets for carried forward tax losses, impairment of trade receivables and other financial assets assets held for sale, liabilities held for sale. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

(i) Useful life of Property, Plant and Equipment including intangible assets: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Taxes : The Group provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Group against which such assets can be utilized.

(iii) Fair value measurement and valuation process: The Group measured financial assets and liabilities if any, at fair value for financial reporting purposes.

(iv) Trade receivables and other financial assets: The Group follows a 'simplified approach' (i.e. based on lifetime Expected Credit Loss (ECL)) for recognition of impairment of loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amount based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectable.

(v) Defined benefit plans (gratuity benefits) : The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining appropriate discount rate, the management considers interest rates of government bonds in currencies, consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates.

(vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

(vii) Determination of net realisable value for Assets held for Sale and related liabilities.

(viii) Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

(d) Property, Plant and Equipment

(i) Property, Plant and Equipment (PPE) are stated at cost net of Modvat/ Cenvat / GST less accumulated depreciation, amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(ii) Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate.

(iii) As per Para 46A of Accounting Standard (AS) 11, 'The Effects of Changes in Foreign Exchange Rates', related to acquisition of depreciable capital assets pursuant to the notifications dated December 29, 2011 and August 9, 2012 issued by Ministry of Corporate Affairs (MCA), under the Companies (Accounting Standards) (Second Amendment) Rules 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets is capitalised and subsequently, on adoption of Indian Accounting Standard also, the same is allowed for the transactions recorded upto March 31, 2016.

(iv) On transition to Ind AS, the Company had elected the option of fair value as deemed cost for certain Land and Buildings and Plant and Machinery, as on the date of transition. Other Tangible Assets were restated retrospectively.

(v) Depreciation is provided on Straight Line Method based on the useful life prescribed in Schedule II to the Act except in case of the following assets where useful life is different than those that prescribed in Schedule II, based on technical evaluation.

(1) Telecom Electronic Equipments - 20 years
(2) Telecom Towers - 35 years
(3) Ducts and OFC - 35 years
(4) Batteries - 9 years
(5) Furniture, Fixtures and Office Equipments - 5, 10 years
(6) Customer Premises Equipments (CPE) - 3 to 5 years (where assets are installed on customer's premises)
(7) Vehicles - 5 years
(8) Leasehold improvements - Shorter of the remaining lease term or useful life
(9) Cable Systems - Shorter of 15 years or remaining useful life

In case of Falcon project, the asset life of Sub Marine Cable Network and Terrestrial Network is estimated at 25 years and 15 to 25 years respectively.

(vi) Expenditure of capital nature incurred on assets taken on operating lease is depreciated over the remaining period of the lease term.

(vii) Leasehold Land with lease term of more then 50 years is classified as finance lease and depreciated over the period of the lease term.

(viii) Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of profit or loss.

(ix) CPE's are treated as part of PPE, as the associated risk and rewards remain with the Company.

(x) Depreciation on all the assets capitalised pursuant to para 46A of AS 11 is provided over the remaining useful life of the depreciable capital asset.

(xi) Depreciation on additions is calculated pro rata basis from the following month of addition.

(xii) Expenses incurred relating to project, prior to commencement of commercial operations, are considered as project development expenditure and shown under Capital Work in Progress

(e) Intangible Assets other than Goodwill

(i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.

(ii) Telecom Licenses are stated at cost as applicable less accumulated amortisation and impairment, if any.

(iii) Indefeasible Right of Connectivity (IRC) are stated at cost less accumulated amortisation.

(iv) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(v) Intangible assets, namely entry fees/ fees for Telecom Licenses and Brand Licenses are amortised on the basis of Straight Line Method, over the balance period of Licenses. IRC and Software are amortized from the date of acquisition or commencement of commercial services, whichever is later.

(vi) There is no intangible asset assessed with indefinite useful life. The life of amortisation of the intangible assets are as follows.

(1) Telecom Licenses - 12.50 to 20 years
(2) Brand License - 10 years
(3) DTH License - 10 years
(4) Indefeasible Right of Connectivity - In the year of purchase or, 15/ 20 years, as the case may be.
(5) Software - 5 years
(6) Trade Names and Trademarks - 5 to 10 years
(7) Intellectual Property - 7 years
(8) Building Access Rights - 5 years

(vii) Amortisation methods, useful lives and residual values are reviwed periodically at each reporting date.

(viii) Any gain or loss on disposal of an item of intangible assets is recognised in statement of profit and loss

(ix) On transition to Ind AS, the Group elected the option of fair value as deemed cost for certain Telecom Licenses as on transition date. Other Intangible Assets were restated retrospectively.

(f) Lease

i) Operating lease:

As a Lessee:

Where the lessor effectively retains substantially all risks and benefits of ownership of the leased assets, they are classified as operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

As a Lessor:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Assets given on operating lease are included in PPE/ Intangible Assets. Costs, including depreciation/ amortisation, are recognised as an expense in the Statement of Profit and Loss.

ii) Finance lease:

As a Lessee:

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Such assets are depreciated/ amortised over the period of lease or estimated useful life of the assets whichever is less.

As a Lessor:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(g) Non current assets held for sale and discontinued operations

Non current assets (or disposal group) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction. Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and/ or fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets and sale is expected to be concluded within twelve months from the date of such classification

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

A disposal group qualifies as discontinued operations if it is a component of the company that either has been disposed off or is classified as held for sale, and represents a separate a major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Non-current assets are not depreciated or amortised while they are classified as held for sale.

When the group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described are met, regardless of whether the group will retain a non controlling interest in its former subsidiary after the sale.

Loss is recognised for any initial or subsequent write down of such non current assets (or disposal group) to fair vale less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell an asset (or disposal group) but not in excess of any cumulative loss previously recognised.

If the criteria for assets held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation or any amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group creases to be classified as held for sale.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a Subsidiary acquired exclusively with a view to resale. The results of discontinued operations or presented separately in the Statement of Profit and Loss.

Significant Accounting Policies to the Abridged Consolidated Financial Statements

(h) Impairment of Non Financial Assets

Goodwill and intangible assets that have indefinite useful life are tested annually for impairment or more frequently, if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Impairment loss recognised in prior accounting period is increased/ reversed (for the assets other than Goodwill) where there is change in the estimate of recoverable value. Recoverable value is higher of net selling price and value in use.

(i) Inventories of Stores, Spares and Communication Devices

Inventories of stores, spares and communication devices are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realisable value, whichever is less. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(j) Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absence such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized as an expense during the period.

Long term employee benefits

(i) Defined contribution plan

The Group's contribution towards employees' Superannuation Plan is recognized as an expense during the period in which it accrues.

(ii) Defined benefit plans

Provident Fund

Provident Fund contributions are made to a Trust administered by the Trustees or other recognised fund. Interest payable to the Provident Fund members, shall not be at a rate lower than the statutory rate. Liability is recognized for any shortfall in the Income of the fund vis-à-vis liability of the interest as per statutory rates to the members. The Company's contribution towards employees' Provident fund is recognized as an expense during the period in which it accrues.

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, mortality rate and the fair value of plan assets is deducted. Mortality rate is based on publicly available mortality table in India.

Present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

Obligation is measured at present value of the estimated future cash flows. Discount rates used for determining present value of obligation under the defined benefit plan, are based on market yield of Government Securities as at the balance sheet date that have terms approximating to the terms of the related obligation.

Remeasurements which comprise of actuarial gain and losses, the return of plan assets (excluding interest) and the effect of assets ceiling (if any, excluding interest) are recognised in Other Comprehensive Income. Plan Assets of Defined Benefit Plans have been measured at fair value.

(iii) Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. Discount rates used for determining present value of the obligation under the defined benefit plan, are based on the market yield on Government Securities as at the balance sheet date. Remeasurements gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise.

(k) Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto 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 recognised as an expense in the year in which they are incurred.

(l) Foreign Currency Transactions

(i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

(ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

(iii) Non monetary foreign currency items are carried at cost (i.e. translated using the exchange rates at the time of initial transactions).

(iv) Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which it arises except for;

(a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.

(b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

(v) All long term foreign currency monetary items consisting of loans taken before March 31, 2016 and which relate to the acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the balance sheet date. Exchange difference including attributable to the interest arising as a result is added to or deducted from cost of the assets as per notification dated December 29, 2011 and August 9, 2012 issued by the Ministry of Company Affairs (MCA), Government of India and depreciated over the balance life of the capital asset. Exchange difference on other long term foreign currency loans is accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" which will be amortized over the balance period of monetary assets or liabilities.

(vi) The results and financial position of foreign operations with functional currency different from the presentation currency, are translated into the presentation currency as follows:

(a) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

(b) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

(vii) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into rupee, the functional currency of the company, at the exchange rates at the reporting date. Exchange difference arising are recognised in other comprehensive income and accumulated in equity, except to the extent that the exchange differences is allocated to the non controlling interests.

(m) Revenue Recognition

(i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

(ii) Revenue is recognised as and when services are provided 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 recognised over the estimated useful life of the subscribers and specified fixed validity period, as appropriate. The estimated useful life is consistent with estimated churn of the subscribers.

(iii) The Company sells Right of Use (ROUs) that provide to the customers with network capacity/ passive infrastructure, typically over a period of 5 to 20 years without transferring legal title or giving an option to purchase the network capacity/ passive infrastructure. Capacity services revenues are accounted as operating lease and recognised in the Company's income statement over the life of the contract. Bills raised on the customers/ payments received from the customers for long term contracts and for which revenue is not recognised are included in deferred revenue. Revenue on non cancellable ROUs are also recognised as licencing income over the period of contract. Revenue on non cancellable contracts for right to use of specified fibre pairs/ ducts for a period of 15 to 20 years or economic useful life is recognized as revenue on delivery of such assets to the customers. In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met: (1) the deliverable has value to the customer on a standalone basis and (2) there is evidence of the fair value of the item. The arrangement considered is allocated to each separate unit of accounting based on its relative fair value.

(iv) Standby maintenance charges are invoiced separately from capacity sales. Revenue relating to standby maintenance is recognised over the period in which service is provided. Any amount billed prior to providing of service is included in deferred revenue. Revenue from other service is recognized as and when service is rendered.

(v) Network services include capacity lease services, IP transit, IPLC (private lines leased to customers), backup service for other network operators and all other services. The customer typically pays charges for network services periodically over the life of the contract, which may be up to three years. Network revenue is recognised in the Company's Statement of Profit and Loss over the term of the contract.

(vi) Sale of handsets and accessories are recognised when goods are supplied and are recorded net of trade discounts, rebates, commissions to distributors and dealers and sales taxes. It does not include inter company transfers.

(vii) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition. Dividend is considered when right to receive is established. The Group recognises income from units in the Fixed Income Schemes of Mutual Funds, where income accrued is held till declaration or payment thereof for the benefit of the unit holders.

(viii) Revenue is recognised net of taxes when the Base Transceiver Station (BTS) Tower is Ready For Installation of customer equipments and as per the terms of the agreements.

(ix) Activation fees, subscription revenue and monthly subscription in respect of DTH are recognised on accrual basis, net of service tax, entertainment tax and trade discount.

(n) Taxes on Income and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis. Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss. MAT credit is recognised as an asset, only if it is probable that the Company will pay normal income tax during the specified period.

(o) Government Grants

Subsidies granted by the Government for providing telecom services in rural areas are recognised as other operating income in accordance with relevant terms and conditions of the applicable scheme and agreement.

(p) Provisions including Asset Retirement Obligation (ARO) and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined by discounting expected future cashflows at the pre tax rate that reflects current market assumptions of time value of money and risk specific to the liability. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Asset Retirement Obligation (ARO) relates to the removal of telecom towers, sub marine cable systems and equipments when they will be retired from its active use. Provision is recognised based on the best estimate, of the management, of the eventual costs (net of recovery), using discounted cash flow, that relates to such obligation and is adjusted to the cost of such assets. Estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

(q) Earning per Share

In determining Earning per Share, the Group considers net profit after tax attributable to parent and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti dilutive. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

(r) Employee Stock Option Scheme

In respect of stock options granted pursuant to the Company's Employee Stock Options Scheme, fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period. Employee compensation cost recognised earlier on grant of options is reversed in the period when the options are surrendered by any employee or lapsed as per the terms of the scheme.

(s) Treasury Shares

The Group has created an Employee Stock Option Scheme Trust (ESOS Trust) for providing share-based payment to its employees. The Group uses ESOS Trust as a vehicle for distributing shares to the employees under the employee remuneration schemes. The ESOS Trust buys shares of the Company from the market, for giving shares to the employees. The Group treats ESOS Trust as its extension and the shares held by ESOS Trust are treated as treasury equity.

Own equity instruments that are reacquired (treasury equity) are recognised at cost and deducted from equity. No gain or loss is recognised in Statement of Profit and Loss, on purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between carrying amount and consideration, if reissued, is recognised in equity.

(t) Measurement of Fair value of financial instruments

The Group's accounting policies and disclosures require measurement of fair values for the financial instruments. The Group has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet requirements of Ind AS, including level in fair value hierarchy in which such valuations should be classified. When measuring fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred. (Refer to note 2.14.1) for disclosures pertaining to the measurement of fair values).

(u) Financial Instruments

A financial instrument is any contract that gives rise to the financial asset of one entity and the financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

Financial Assets

i Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

ii Subsequent measurement

Subsequent measurement of the debt instruments depends on the Group's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

Financial Assets measured at Amortised Cost:

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise to cash flows, on specified dates, that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI):

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

Financial Assets measured at Fair Value through Profit or Loss (FVTPL):

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if, doing so reduces or eliminates measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity Investments:

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Group decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition.

Derecognition of Financial Assets

A financial asset is primarily derecognised when: (I) Rights to receive cash flows from the asset have expired, or (II) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. Impairment methodology applied depends on whether there has been a significant increase in the credit risk. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. Provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Financial Liabilities

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Financial liabilities at Fair Value through Profit or Loss: Financial liabilities at Fair Value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in Statement of Profit or Loss.

Financial liabilities measured at Amortised Cost: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gains or losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) Business Combinations and Goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their acquisition date fair values. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value, resulting gain or loss is recognised in Statement of Profit and Loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of net assets acquired is in excess of the aggregate consideration the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amount payable in the future is discounted to its present value as at the date of exchange. Contingent consideration is classified either as equity or a financial liability. Amount classified as a financial liability is subsequently remeasured to fair value with change in fair value recognised in Statement of Profit and Loss.

Business Combinations that occurred before April 1, 2008, are not restated retrospectively in accordance with Ind AS 103 "Business Combinations". Carrying amounts of assets acquired and liabilities assumed as part of past business combinations as well as the amounts of goodwill that arose from such transactions as they were determined under the previous GAAP are considered as their deemed cost under Ind AS as at the date of transition. In respect of business combinations that occurred prior to April 1, 2008, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Notes on Accounts to Abridged Consolidated Financial Statements

Note 2.01 (Note 2.02 of Annual Accounts)
Goodwill

Goodwill is recognised on consolidation of financial statements of subsidiaries as per details given herein:

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Goodwill on Consolidation	**3,549**	3,548	**1**	(3)

There is no movement in the goodwill on consolidation except due to changes in foreign exchange currency fluctuation. Business Valuation is higher than the book value of assets and/ or recoverable value represented above, and hence impairment has not been considered.

Recoverable amount of the operations is based on fair value less costs of disposal, estimated using discounted cash flows. Fair value measurement is categorised as a Level 3 fair value based on inputs in the valuation technique used.

Key assumptions used in the estimation of the recoverable amount are set out below.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Sr.	**Particulars**	**As at March 31, 2018**	As at March 31, 2017
1	Discount rate	**9.40%**	9.40%
2	Terminal value growth rate	**-**	-
3	Budgeted EBITDA growth rate (average of next years)	**2%**	2%

Discount rate has been a pre tax measure estimated based on the historical industry average weighted-average cost of capital, with the possible debt leveraging of 80% at interest rate of 9% per market.

No terminal value is included as this cash flows are more than sufficiant to establish that impairment does not exist.

Budgeted EBITDA has been estimated taking into account past experience and adjusted as under.

Revenue growth has been projected taking into account the average growth levels experienced over the past three years and estimated sales volume and prudent price growth for the next five years. It has been assumed that the sales price would increase in line with the forecast inflation over the next five years.

Sensitivity Analysis: There is no significant risk that book value of goodwill could exceed its value in use considering reasonably possible change in Discount Rate and EBIDTA growth rate.

Note 2.02 (Note 2.07 of Annual Accounts)
Deferred Tax Assets/ Liabilities
Amount recognised in financial statement
2.02 (a) Deferred Tax Assets
Deferred Tax Assets of the Company and its subsidiaries comprise of the following.

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017
(i)	**Deferred Tax Assets**				
	Related to carried forward loss	**7,100**	4,490	**(2,610)**	2,003
	MAT Credit Entitlement	**40**	39	**(1)**	-
	Disallowances, under the Income Tax Act, 1961	**1,165**	1,078	**(87)**	(58)
	Related to temporary difference on depreciation/ amortisation	**700**	53	**(647)**	(230)
	Others	**50**	**28**	**(22)**	(45)
	Total	**9,055**	5,688	**(3,367)**	1,670
(ii)	**Deferred Tax Liabilities**				
	Related to temporary difference on depreciation/ amortisation	**747**	2,018	**(1,271)**	72
Net Deferred Tax Assets (I)		**8,308**	3,670	**(4,638)**	1,742
	Restricted to	**3,574**	3,670	**96**	1,742

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
2.02 (b) Deferred Tax Liabilities					
(i)	**Deferred Tax Liabilities**				
	Related to timing difference on depreciation on fixed assets	**2,200**	4,181	**(1,981)**	166
	Related to timing difference on other items	**1,002**	1,017	**(15)**	566
	Total	**3,202**	5,198	**(1,996)**	732
(ii)	**Deferred Tax Assets**				
	MAT Credit Entitlement	**36**	46	**(10)**	(12)
	Related to carried forward loss	**541**	502	**39**	70
	Related to other disallowances	**108**	100	**8**	12
	Total	**685**	648	**37**	70
	Net Deferred Tax Liabilities (II)	**2,517**	4,550	**(2,033)**	662
Deferred Tax Charge/ (Credit) (II - I)				**(1,937)**	(1,080)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred Tax Assets are not provided on undistributed earnings of ₹ 3,816 crore as at March 31, 2018 (Previous year ₹ 3,705 crore), of the subsidiaries, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. Generally, the Company indefinitely reinvests all the accumulated undistributed earnings of subsidiaries and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of such entities. It is impracticable to determine the taxes payable when these earnings are remitted.

Significant management judgement has been considered in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. Recoverability of deferred tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred Tax Assets have not been recognised in respect of losses of certain subsidiaries due to non existance of reasonable certainty, and which may not be used to offset taxable profits elsewhere in the group as there are no other tax planning opportunities or other evidence of recoverability in the near future. Year wise expiry of total Losses of ₹ 12,155 crore are as under:

Sr.	**Particulars**	**Amount of Loss** (₹ in crore)
(i)	Expiring within 1 year	816
(ii)	Expiring within 1 to 5 year	1,036
(iii)	Expiring within 5 to 7 year	1,929
(iv)	Expiring within 7 to 20 year	3,138
(v)	Without expiry limit	5,236
	Total	**12,155**

Notes on Accounts to Abridged Consolidated Financial Statements

(a) Amounts recognised in Statement of Profit and Loss (₹ in crore)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Continuing Operation	**Discontued operation**	**Total**	Continuing Operation	Discontued operation	Total
Current income tax	**4**	**26**	**30**	24	(26)	(2)
Short/(Excess) Provision of earlier years	**-**	**-**	**-**	(22)	-	(22)
Deferred income tax liability/ (asset), (net)	**12**	**(1,949)**	**(1,937)**	(92)	(988)	(1,080)
Tax expense/ (credit) for the year	**16**	**(1,923)**	**1,907**	(90)	(1,014)	(1,104)

(b) Amounts recognised in Other Comprehensive Income - (Previous year ₹ 39,06,479)	**1**	-

2.02 (c) Reconciliation of Tax Expenses (₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/ (Loss) before Tax	**(25,814)**	(2,387)
Applicable Tax Rate	**34.608%**	34.608%
Computed Tax Expenses (I)	**(8,933)**	826
Add: Items not considered for Tax Computation		
Brought Forward Losses on which deferred tax assets has not recognised	**533**	325
Tax Charges/ (Credit) on account of temporary difference	**2,293**	120
Expenses disallowed for tax purpose	**1,175**	51
Deferred tax not recognised for the year (restricted)	**2,905**	-
Others	**104**	48
Subtotal (II)	**7,010**	544
Less: Items not considered for Tax Computation		
Effect of Tax impact in Foreign jurisdiction	**(16)**	3
Tax Credit on account of depreciation allowances	**-**	403
Additional expenses allowed for tax purpose	**-**	381
Others	**-**	35
Subtotal (III)	**(16)**	822
Income Tax Expenses charge/ (credit) to Statement of Profit and Loss (I + II - III)	**(1,907)**	(1,104)

The Company's consolidated weighted average tax rates for the years ended March 31, 2018 and 2017 have been 7% and 46%, respectively. The effective tax rate for the year ended March 31, 2018 was lower primarily as a result of the facts mentioned above.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
Note 2.03 (Note 2.12 of Annual Accounts)		
Cash and Cash Equivalents		
Cash on hand ₹ 1,99,557 (Previous year ₹ 2,45,415)	**-**	-
Cheques on hand	**35**	37
Balance with Banks	**542**	947
Bank deposits with less than 3 months' maturity	**33**	40
	611	1,024
Note 2.04 (Note 2.13 of Annual Accounts)		
Bank Balances other than Cash and Cash Equivalents referred in Note 2.03 above		
Bank deposits with less than 12 months' maturity	**126**	290
Earmarked Balances - Unpaid Dividend	**3**	5
	129	295

Notes on Accounts to Abridged Consolidated Financial Statements

Note 2.05

Note 2.05.1 (Note 2.20.1 of Annual Accounts)

The Company, on March 2, 2009, allotted, 3,000, 11.20% Secured Redeemable, Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each, aggregating to ₹ 3,000 crore to be redeemed at the end of 10th year from the date of allotment thereof. The Company on February 7, 2012, also allotted, 1,500, 11.25% Secured Redeemable Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each aggregating to ₹ 1,500 crore redeemable in four annual equal installments starting at the end of 4th year from the date of allotment thereof, the outstanding against said NCDs is ₹ 750 crore as on March 31, 2018. The Company had, on May 6, 2015, issued Senior Secured Notes (SCNs) of USD 300 million, face value of USD 100 per bond, bearing 6.5% p.a. interest, with a maturity of 5 1/2 years. GCX Limited, a subsidiary of the Company had, on August 1, 2014 issued Senior Secured Bonds of USD 350 million, face value of USD 100 per bond, bearing 7% p.a. interest, with a maturity of 5 year against pledge of Shares of material subsidiaries of GCX Limited.

The Company and its subsidiary had been sanctioned Rupee Loans of ₹ 6,750 crore (outstanding as on March 31,2018 was ₹ 6,078 crore) (Term Loan Facility) under the consortium banking arrangement on the terms and conditions as set out in common loan agreement.

NCDs along with 6.5% SCNs of ₹ 5,705 crore, Foreign Currency Loans of ₹ 14,156 crore and Rupee Loans of ₹ 8,393 crore ("the said Secured Loans") have been secured by first pari passu charge on the whole of the movable plant and machinery including (without limitations) tower assets and optic fiber cables, if any (whether attached or otherwise), capital work in progress (pertaining to the movable fixed assets), both present and future including all the rights, title, interests, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group; comprising of the Company and its subsidiary companies namely; RTL, RITL and RCIL, ("the Borrower Group"), in favour of the Security Trustee for the benefit of the NCD/ SCN Holders and the lenders of the said Secured Loans. The said loans also include ₹ 6,547 crore, which are guaranteed. Rupee Loans of ₹ 972 crore are secured by second pari passu charge on the movable plant and machinery and capital work in progress of the Borrower Group, Tower receivables, pledge of equity shares of RIDC held by RWL and corporate guarantee of Borrower group. Further, Rupee loan of ₹ 501 crore is secured by Second Charge on Fixed Assets of Borrower Group. The Company, for the benefit of the Lenders of 6.5% SCN of ₹ 1,955 crore and Foreign Currency Loans of ₹ 11,191 crore, 1,500, 11.25% NCDs aggregating to ₹ 750 crore and Rupee Loans of ₹ 7,403 crore has, apart from the above, also assigned 20 Telecom Licenses for services under Unified Access Services (UAS), National Long Distance (NLD) and International Long Distance (ILD) (collectively referred as "Telecom Licenses") by execution of the Tripartite Agreements with Department of Telecommunications (DoT) and the Security Trustee acting on behalf of the Lenders. Assignment of the Telecom Licences of the Company for Rupee Loan from banks of ₹ 1,492 crore and from others of ₹ 248 crore is pending to be executed. Further, RTL, a subsidiary company, for the benefit of lenders of the Foreign Currency Loans of ₹ 1,341 crore and Rupee Term Loans of ₹ 615 crore have also assigned eight Unified Access Services (UAS) Licences, by execution of Tripartite Agreements with DoT and the Security Trustee acting on behalf of the Lenders. Assignment of Telecom Licenses for the Rupee Term Loans is pending to be executed. Apart from above Rupee Loan also includes ₹ 398 crore which is secured by Spectrum, acquired during the year under the scheme of Demerger (Refer Note 2.10.2) is pending to be executed.

The Company has, for the benefit of the Lenders of 6.5% SCNs, Foreign Currency Loans and Rupee Loans aggregating to ₹ 21,058 crore, apart from the above security, pledged equity shares of RCIL held by the Company and of RTL held by the Company and Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited) by execution of the Share Pledge Agreement with the Share Pledge Security Trustee. Rupee Loans of ₹ 6,078 crore is also secured by pledge of equity shares of RITL held by RCIL, current assets, movable assets including intangible, both present and future of the Borrower Group and Corporate Guarantee of the Borrower Group. Charge over the immovables assets except three immovable assets of the Borrower Group and RGBV security for Rupee loan of ₹ 6,078 crore is pending to be executed. RGBV, a subsidiary of the Company has outstanding loan of USD 13 million, availed against pledged of shares of its material subsidiaries.

Note 2.05.2 (Note 2.24.1 of Annual Accounts)

Rupee Loans of ₹ 750 crore is secured by first pari passu charge on the whole of the movable Plant and Machinery including (without limitations) tower assets and optic fiber cables, if any (whether attached or otherwise), capital work in progress (pertaining to the movable fixed assets), both present and future including all the rights, title, interests, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group. Rupee Loans of ₹ 1,933 crore is secured by second pari pasu charge over movable Fixed Assets of the Borrower Group, out of which ₹ 1,072 crore, is pending to be created.

Note 2.05.3 (Note 2.01.11 of Annual Accounts)

Non fund based outstanding of ₹ 3,643 crore availed by the Company, ₹ 241 crore availed by RTL and ₹ 4 crore by RCIL have been secured by second pari passu charge on movable Fixed Assets of the Borrower Group.

Notes on Accounts to Abridged Consolidated Financial Statements

Note 2.05.4 (Note 2.20.3 of Annual Accounts)
Delay/Default in repayment of Borrowing (Current and Non Current) and Interest

The Company has delayed/defaulted in the payment of dues to the financial institutions, banks and debenture holders. The lender wise details are as under:

Sr.	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018	
		Amount	Period	Amount	Period	Amount	Period	Amount	Period
		(₹ in crore)	(Maximum days)	(₹ in crore)	(Maximum days)	(₹ in crore)	(Maximum days)	(₹ in crore)	(Maximum days)
I	**Loan from Banks**								
	Axis Bank	100	87	-	-	5	80	-	-
	Ahli United Bank B.S.C.*	-	-	98	111	-	-	-	-
	Bank of Baroda	-	-	802	389	24	87	11	366
	Bank of India	-	-	300	366	17	87	10	366
	Bank of Maharashtra	27	85	473	318	-	-	-	-
	Canara Bank	64	26	256	275	9	25	-	-
	Central Bank of India	-	-	120	366	6	87	3	366
	Corporation Bank	-	-	341	388	5	87	8	366
	Credit Agricole Corporate & Investment Bank	-	-	192	377	1	14	-	-
	DBS Bank	112	60	300	185	4	7	-	-
	Dena Bank	-	-	250	53	-	-	-	-
	Deutsche Bank*	180	82	391	111	4	7	1	284
	HDFC Bank	56	18	-	-	-	-	-	-
	HongKong and Shanghai Banking Corporation	-	-	70	310	-	-	4	310
	China Development Bank*	862	305	3,049	398	7	197	155	398
	Industrial and Commercial Bank of China*	130	305	551	398	7	197	33	398
	Export Import Bank of China*	287	305	1,030	398	7	197	54	398
	IDBI Bank	-	-	509	379	25	87	13	366
	IDFC Bank	100	83	-	-	38	117	-	-
	Indian Overeseas Bank	-	-	60	366	3	87	1	366
	IndusInd Bank	1,500	59	-	-	26	61	-	-
	Oriental Bank of Commerce	-	-	99	366	4	87	2	366
	Punjab National Bank	70	169	781	391	-	-	-	-
	Standard Chartered Bank	397	111	1,264	358	3	56	-	-
	Standard Chartered Bank, London	-	-	1,623	300	-	-	29	300
	State Bank of India	-	-	1,793	366	43	87	23	366
	Syndicate Bank*	-	-	463	389	9	87	5	366
	UCO Bank	-	-	296	366	17	87	9	366
	Union Bank of India	-	-	608	366	5	3	3	366
	United Bank of India	13	147	341	366	4	97	2	366
	Yes Bank	190	118	-	-	24	118	-	-
II	**Debenture**								
	Life Insurance Corporation of India	375	62	375	53	72	40	-	-

Sr.	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018		Delay in repayment during the year ended March 31, 2018		Default As at March 31, 2018	
		Amount	Period	Amount	Period	Amount	Period	Amount	Period
		(₹ in crore)	(Maximum days)	(₹ in crore)	(Maximum days)	(₹ in crore)	(Maximum days)	(₹ in crore)	(Maximum days)
III	**Other Loans**								
	Industrial Finance Corporation of India Limited	-	-	125	382	-	-	4	382
	India Infrastructure Finance Corporation Limited	-	-	4	183	2	88	4	397
	Reliance Capital Limited	-	-	226	15	-	-	5	380
	Reliance Unicorn Enterprises Private Limited	-	-	-	-	-	-	53	366
	Reliance Cleangen Limited	-	-	-	-	9	21	14	366
	Kunjbihari Developers Private Limited	-	-	-	-	-	-	1	366
IV	**Total**	**4,463**		**16,791**		**382**		**447**	

* facility recalled

Note 2.05.5 (Note 2.20.4 of Annual Accounts)

Pending the finalisation of overall debt resolution plan, long term borrowings which are not recalled for payment is continued to be classified as non current liabilities.

Note 2.05.6 (Note 2.20.5 of Annual Accounts)

Confirmation in respect of certain borrowings aggregating to ₹ 5,206 crore have not been received and the same has been reflected on the basis of information available with the Company.

Note 2.05.7 (Note 2.20.6 of Annual Accounts)

During the year, there was a delay of 11days in case of installment payment of ₹ 22 crore to Department of Telecommunications. Further, as at March 31, 2018, ₹ 281 crore was outstanding, delayed by 10 days which was subsequently paid.

Note 2.06 (Note 2.35 of Annual Accounts)
Previous Year

Figures of the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in Rupees in crore, except as otherwise stated.

Note 2.07 (Note 2.36 of Annual Accounts)
Consolidation

(a) The following subsidiary companies are included in the Consolidated Financial Statements.

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2018	As at March 31, 2017
1	Reliance WiMax Limited	India	**100.00%**	100.00%
2	Reliance Bhutan Limited	India	**90.45%**	90.45%
3	Reliance Webstore Limited	India	**100.00%**	100.00%
4	Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited)	India	**100.00%**	100.00%
5	Campion Properties Limited	India	**100.00%**	100.00%
6	Independent TV Limited (Formerly Reliance Big TV Limited)	India	**100.00%**	100.00%
7	Reliance Tech Services Limited	India	**100.00%**	100.00%

Notes on Accounts to Abridged Consolidated Financial Statements

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2018	As at March 31, 2017
8	Reliance Telecom Limited	India	**100.00%**	100.00%
9	Reliance Communications Infrastructure Limited	India	**100.00%**	100.00%
10	Globalcom IDC Limited (Formerly Reliance IDC Limited)	India	**100.00%**	100.00%
11	Reliance Infratel Limited	India	**90.45%**	90.45%
12	Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)	India	**100.00%**	100.00%
13	Reliance BPO Private Limited	India	**100.00%**	100.00%
14	Reliance Globalcom Limited	India	**100.00%**	100.00%
15	Reliance Communications Tamilnadu Limited	India	**100.00%**	100.00%
16	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	India	**100.00%**	100.00%
17	Reliance Infra Projects Limited	India	**100.00%**	100.00%
18	Internet Exchangenext.com Limited	India	**100.00%**	100.00%
19	Realsoft Cyber Systems Private Limited	India	**100.00%**	100.00%
20	Worldtel Tamilnadu Private Limited	India	**100.00%**	100.00%
21	Towercom Infrastructure Private Limited	India	**99.52%**	99.52%
22	Reliance Globalcom B.V.	The Netherlands	**100.00%**	100.00%
23	Aircom Holdco B.V.	The Netherlands	**100.00%**	100.00%
24	Reliance Communications (UK) Limited	United Kingdom	**100.00%**	100.00%
25	Reliance Communications (Hong Kong) Limited	Hong Kong	**100.00%**	100.00%
26	Reliance Communications (Singapore) Pte. Limited	Singapore	**100.00%**	100.00%
27	Reliance Communications (New Zealand) Pte Limited	New Zealand	**100.00%**	100.00%
28	Reliance Communications (Australia) Pty Limited	Australia	**100.00%**	100.00%
29	Anupam Global Soft (U) Limited	Uganda	**90.00%**	90.00%
30	Gateway Net Trading Pte Limited	Singapore	**100.00%**	100.00%
31	Global Cloud Xchange Limited	Bermuda	**100.00%**	100.00%
32	GCX Limited	Bermuda	**100.00%**	100.00%
33	Reliance Globalcom Limited	Bermuda	**100.00%**	100.00%
34	FLAG Telecom Singapore Pte. Limited	Singapore	**100.00%**	100.00%
35	FLAG Atlantic UK Limited	United Kingdom	**100.00%**	100.00%
36	Reliance FLAG Atlantic France SAS	France	**100.00%**	100.00%
37	FLAG Telecom Taiwan Limited	Taiwan	**60.00%**	60.00%
38	Reliance FLAG Pacific Holdings Limited	Bermuda	**100.00%**	100.00%
39	FLAG Telecom Group Services Limited	Bermuda	**100.00%**	100.00%
40	FLAG Telecom Deutschland GmbH	Germany	**100.00%**	100.00%
41	FLAG Telecom Hellas AE	Greece	**100.00%**	100.00%
42	FLAG Telecom Asia Limited	Hong Kong	**100.00%**	100.00%
43	FLAG Telecom Netherland B.V.	The Netherlands	**100.00%**	100.00%
44	Reliance Globalcom (UK) Limited	United Kingdom	**100.00%**	100.00%
45	Yipes Holdings Inc.	USA	**100.00%**	100.00%

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2018	As at March 31, 2017
46	Reliance Globalcom Services Inc.	USA	**100.00%**	100.00%
47	YTV Inc.	USA	**100.00%**	100.00%
48	Reliance Infocom Inc.	USA	**100.00%**	100.00%
49	Reliance Communications Inc.	USA	**100.00%**	100.00%
50	Reliance Communications International Inc.	USA	**100.00%**	100.00%
51	Reliance Communications Canada Inc.	USA	**100.00%**	100.00%
52	Bonn Investment Inc.	USA	**100.00%**	100.00%
53	FLAG Telecom Development Limited	Bermuda	**100.00%**	100.00%
54	FLAG Telecom Development Services Company LLC	Egypt	**100.00%**	100.00%
55	FLAG Telecom Network Services DAC	Ireland	**100.00%**	100.00%
56	Reliance FLAG Telecom Ireland DAC	Ireland	**100.00%**	100.00%
57	FLAG Telecom Japan Limited	Japan	**100.00%**	100.00%
58	FLAG Telecom Ireland Network DAC	Ireland	**100.00%**	100.00%
59	FLAG Telecom Network USA Limited	USA	**100.00%**	100.00%
60	FLAG Telecom Espana Network SAU	Spain	**100.00%**	100.00%
61	Reliance Vanco Group Limited	United Kingdom	**100.00%**	100.00%
62	Euronet Spain SA	Spain	**100.00%**	100.00%
63	Net Direct SA (Properietary) Ltd. (Under liquidation)	South Africa	**100.00%**	100.00%
64	Vanco (Shanghai) Co Ltd.	China	**100.00%**	100.00%
65	Vanco (Asia Pacific) Pte. Limited	Singapore	**100.00%**	100.00%
66	Vanco Australasia Pty. Ltd.	Australia	**100.00%**	100.00%
67	Vanco Sp Zoo	Poland	**100.00%**	100.00%
68	Vanco Gmbh	Germany	**100.00%**	100.00%
69	Vanco Japan KK	Japan	**100.00%**	100.00%
70	Vanco NV	Belgium	**100.00%**	100.00%
71	Vanco SAS	France	**100.00%**	100.00%
72	Vanco South America Ltda	Brazil	**100.00%**	100.00%
73	Vanco Srl	Italy	**100.00%**	100.00%
74	Vanco Sweden AB	Sweden	**100.00%**	100.00%
75	Vanco Switzerland AG	Switzerland	**100.00%**	100.00%
76	Vanco Deutschland GmbH	Germany	**100.00%**	100.00%
77	Vanco BV	The Netherlands	**100.00%**	100.00%
78	Vanco UK Ltd	United Kingdom	**100.00%**	100.00%
79	Vanco International Ltd	United Kingdom	**100.00%**	100.00%
80	Vanco Row Limited	United Kingdom	**100.00%**	100.00%
81	Vanco Global Ltd	United Kingdom	**100.00%**	100.00%
82	VNO Direct Ltd	United Kingdom	**100.00%**	100.00%
83	Vanco US LLC	USA	**100.00%**	100.00%
84	Vanco Solutions Inc	USA	**100.00%**	100.00%

Notes on Accounts to Abridged Consolidated Financial Statements

(b) The Company also consolidates the following companies as it exercises control over ownership and / or composition of Board of Directors.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2018	As at March 31, 2017
1	Seoul Telenet Inc.	Korea	**49.00%**	49.00%
2	FLAG Holdings (Taiwan) Limited	Taiwan	**50.00%**	50.00%
3	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	Cyprus	**0.00%**	0.00%
4	Lagerwood Investments Limited	Cyprus	**0.00%**	0.00%
(c)	The associate companies considered in the Consolidated Financial Statements are :			
1	Warf Telecom International Private Limited	Maldives	**20.00%**	20.00%
2	Mumbai Metro Transport Private Limied	India	**26.00%**	26.00%

Note 2.08 (Note 2.37 of Annual Accounts)
Going Concern

The Company was engaged with Joint Lenders' Forum (JLF), constituted on June 2, 2017 and under standstill period till December 2017 pursuant to the Strategic Debt Restructuring Scheme (SDR Scheme) of Reserve Bank of India (RBI). Consequent to circular of 12th February, 2018 of RBI, the Company continued to work closely with the Lenders to finalise an overall debt resolution plan. Pursuant to strategic transformation programme, as a part of debt resolution plan of the Company under consideration, inter alia of the Lenders, the Company and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), with the permission of and on the basis of suggestions of the Lenders, had for monetization of some specified Assets, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). Further, the Company has also entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited for sale of its subsidiary company having DTH Business. The Company and its said subsidiaries expected to close these transactions in a phased manner. In the meanwhile, Hon'ble National Company Law Tribunal (NCLT), Mumbai has, overruling the objections of the Company as also its lenders represented by State Bank of India, the lead member, vide its order dated May 15, 2018 admitted applications filed by an operational creditor for its claims against the Company and its subsidiaries; RTL and RITL and thereby admitted the companies to debt resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed vide NCLT's order dated May 18, 2018. The Company along with the support of the lenders filed an appeal with Hon'ble National Company Law Appellate Tribunal (NCLAT) challenging the order of NCLT admitting the Company to IBC proceedings. The Hon'ble NCLAT, vide its order dated May 30, 2018, stayed the order passed by NCLT and consequently, the Board stands reinstated. Further, Minority Shareholders holding 4.26% stake in RITL had accused the management of RITL of "Oppression of minority shareholders and mismanagement" and filed a petition in NCLT. Based on an amendment to the Petition, the NCLT stayed RITL's proposed asset sale (Tower and Fibre). The parties have subsequently settled the dispute and the restriction on sale stands vacated pursuant to order admitting RITL to the IBC proceeding is vacated. The Company is confident that a suitable debt resolution plan would be formulated along with its lenders as per the strategic transformation programme. Considering these developments, the financial statements continue to be prepared on going concern basis.

Note 2.09 (Note 2.38 of Annual Accounts)

Foreign Currency Monetary Items; Long Term

In view of the Option allowed pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs (MCA), Government of India, for the year ended on March 31, 2018, the Company has added ₹ 34 crore (Previous year ₹ 210 crore reduced), of exchange differences on long term borrowing relating to acquisition of depreciable capital assets to the cost of capitalised assets. Further, the Company has accumulated foreign currency variations of ₹ 21 crore (Previous year ₹ 113 crore reduced) arising on other long term foreign currency monetary items in FCMITDA and ₹ 257 crore (Previous year ₹ 231 crore) has been amortised during the year, leaving balance to be amortised over the balance period of such loans.

Note 2.10 (Note 2.39 of Annual Accounts)

Schemes of Amalgamation and Arrangement

1. Pertaining to earlier years,

   The Company, in the earlier years, underwent various restructuring Schemes through Court including restructuring of ownership of telecom business so as to align the interest of the shareholders. Accordingly, pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by Hon'ble High Court of respective judicature, the Company, during the respective years, recorded all necessary accounting effects, along with requisite disclosure in the notes to the accounts, in accordance with the provisions of the said Schemes. The cumulative effects of the Schemes in case of Equity Share Capital of the Company have been disclosed below the respective Notes to the Accounts. Reserves, pursuant to the said Schemes, include;

(i) ₹ 8,047 crore being Securities Premium Account, which was part of the Securities Premium of erstwhile Reliance Infocomm Limited (RIC), the transferor company.

(ii) ₹ 12,345 crore, being part of General Reserve, on fair valuation of assets and liabilities of the Company in accordance with the Scheme of Amalgamation, amalgamating Reliance Gateway Net Limited (RGNL) into the Company.

(iii) Reserve for Business Restructuring of ₹ Nil (Previous year ₹ 1,287 crore) represents revaluation of investment in RCIL, the Holding Company of RITL after withdrawing an amount equivalent to writing off passive infrastructure assets transferred to RITL to the Statement of Profit and Loss.

(iv) During the earlier year, ₹ 7 crore being Goodwill arising on consolidation pursuant to the Scheme of Amalgamation between subsidiaries debited to General Reserve.

(v) Additional depreciation of ₹ 280 crore (Previous year ₹ 1,205 crore) arising on fair value of the assets has been adjusted, consistent with the practice followed in earlier years, to General Reserve as permitted pursuant to the Scheme of Arrangment (the Scheme) sanctioned vide an order dated July 3, 2009 by the Hon'ble High Court and as determined by the Board of Directors.

(vi) During the earlier year, additional depreciation consequent upon fair valuation of assets carried out has been adjusted to General Reserve by subsidiaries.

(vii) During the earlier year, ₹ 470 crore being excess of liabilities over assets has been adjusted from General Reserve pursuant to demerger of BPO division to RCIL.

(viii) Pursuant to the said Scheme of Amalgamation (Refer Note (ii) above), on account of the fair valuation during the year ended on March 31, 2009, additions/ adjustments to the fixed assets included increase in Freehold Land by ₹ 225 crore, Buildings by ₹ 130 crore and Telecom Licenses by ₹ 14,145 crore.

(ix) Pursuant to the demerger, the Company computed goodwill of ₹ 2,659 crore arising on consolidation using the step up method based on date of original investment by Reliance Industries Limited (RIL) prior to demerger instead of considering the date of demerger as the date of investment in absence of specific guidance in Accounting Standard (AS) 21 "Consolidated Financial Statements" in a demerged scenario.

(x) Also refer note 2.16 "Exceptional Items" below.

2. Pursuant to the Scheme of Demerger ("the Scheme") sanctioned by the Hon'ble High Court of Judicature at Bombay and at Jaipur, the Company has acquired Wireless undertaking of Systema Shyam Teleservices Limited (SSTL) with effect from October 31, 2017. Upon merger of Wireless undertaking of SSTL, ₹ 1,397 crore being excess of assets over liabilities taken over has been credited to Capital Reserve. The Company has also allotted 27,65,53,305 nos of Equity Shares of ₹ 5 each, on October 31, 2017, to Shareholders of SSTL.

Note 2.11 (Note 2.40 of Annual Accounts)

Movement of Provisions (₹ in crore)

	Current		**Non Current**	
	For the year ended		**For the year ended**	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Provision for Retirement Benefit	**21**	29	**67**	106
Asset Retirement Obligation (ARO)				
Balances at the begning of the period	**-**	-	**345**	327
Unwinding of discount on account of ARO	**-**	-	**26**	24
Exchange Fluctuation	**-**	-	**-**	(6)
Balances at the close of the period	**-**	-	**371**	345
Others - Disputed and Other claims/ wealth tax				
Balances at the begning of the period	**1,216**	1,216	**-**	-
Additional provision/(reduction)	**-**	-	**-**	-
Balances at the close of the period	**1,216**	1,216	**-**	-

Provisions include, provision for disputed claims for verification of customer ₹ 9 crore (Previous year ₹ 9 crore) and others of ₹ 1,206 crore (Previous year ₹ 1,206). The aforesaid provisions shall be utilised on settlement of the claims, if any, thereagainst. Provisions for ARO has been made by the Company's subsidiary in respect of undersea cables and equipments.

Notes on Accounts to Abridged Consolidated Financial Statements

Note 2.12 (Note 2.41 of Annual Accounts)
Contingent Liabilities and Capital Commitment (as represented by the Management)

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017
(i)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**173**	892
(ii)	Disputed Liabilities not provided for		
	- Sales Tax and VAT	**98**	55
	- Custom, Excise and Service Tax	**257**	156
	- Entry Tax and Octroi	**104**	112
	- Income Tax	**763**	761
	- Other Litigations	**5,967**	3,263
(iii)	Claims against the Company not acknowledged as debts	**921**	918
(iv)	Guarantees given by the Company	**1,202**	-

(v) Consequent to the investigations by an investigative agency (CBI) in relation to the entire telecom sector in India, certain preliminary charges were framed by a Trial Court in October, 2011 against Reliance Telecom Limited (RTL), a wholly owned subsidiary of the Company and three of the executives of the group. The Special CBI Judge vide judgment dated December 21, 2017 has acquitted the persons so named. CBI has filed an appeal before the Hon'ble Delhi High Court challenging the said Trial Court order. These proceedings have no impact on the business, operations and/or licenses of the Company and, even more so, are not connected in any manner to any other Group companies.

(vi) Spectrum Charges

DoT had, during the earlier years, issued demand on the Company for ₹ 1,758 crore towards levy of one time Spectrum Charges, being the prospective charges for holding CDMA Spectrum beyond 2.5 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. DoT had also issued a demand on RTL, a Subsidiary of the Company one time Spectrum Charges, being retrospective charges of ₹ 5 crore for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and prospective charge of ₹ 169 crore for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. Based on a petition filed by the Company and its subsidiary, the Hon'ble High Court of Kolkata, vide its orders dated February 14, and April 19, 2013 has stayed the operation of the impugned demand till further order. The Company is of the view that the said demands, inter alia, are an alteration of financial terms of the licenses issued in the past and has been legally advised, accordingly, no provision in this regard is required.

(vii) License and Spectrum Fee demands on account of Special Audit and Comptroller and Audit General (CAG) Audit

Pursuant to the Telecom License Agreement, DoT directed audit of various Telecom companies including of the Company. The Special Auditors appointed by DoT were required to verify records of the Company and some of its subsidiaries for the years ended March 31, 2007 and March 31, 2008 relating to license fees and revenue share. The Company has received show cause notice dated January 31, 2012 and subsequently, received demand note dated November 8, 2012 based on report of the Special Audit directed by DoT relating to alleged shortfall of license fees and interest thereon as applicable. The Company challenged the said notices, inter alia demanding license fee on non telecom revenue based on Special Audit Report before the Hon'ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT) and also before the Hon'ble High Court of Kerala. Further, for subsequent years also DoT has raised demand notes for License fee and Spectrum fee on non telecom revenue and other similar revenue heads which Special Auditor has recommended to add back in Adjusted Gross Revenue (AGR) for computation of License Fee and Spectrum Fee.

CAG has also conducted audit of the Company for financial years 2006-07 to 2014-15 and they also recommended to add back non telecom revenue in AGR. The Company has challenged all demands raised by DoT on recommendation of Special Auditors and CAG before Hon'ble TDSAT. Hon'ble TDSAT vide its judgement dated April 23, 2015 has set aside all License fee related demands and directed DoT to rework the license fees payable by the operators for the past periods, in light of the findings, observations and directions made in the said judgement and to issue fresh demands, which the operators will pay within the time prescribed under the law. DoT has challenged the said Hon'ble TDSAT judgement in Hon'ble Supreme Court and has not revised/raised any fresh demand. The matter is pending before Hon'ble Supreme Court, though Hon'ble Supreme Court vide its order dated February 29, 2016 allowed DoT to raise demand as per its understanding but not to enforce the same till the appeals are finally decided by the Hon'ble Supreme Court. As per the judgement of Hon'ble TDSAT dated April 23, 2015 which is operative as on date and other judicial pronouncements directly applicable to the issues of License fee dues raised by DoT on recommendations of Special Auditors and CAG, there shall not be any liability of License fee and hence, no provision is required in the accounts of the Company.

(₹ in crore)

	As at March 31, 2018	As at March 31, 2017
Note 2.13 (Note 2.42 of Annual Accounts)		
Leases		
(a) Operating Lease		
Estimated future minimum payments under non cancellable operating leases.		
(i) Not later than one year	**7**	15
(ii) Later than one year and not later than five years	**4**	18
(iii) Later than five years	**-**	2

(b) Finance Lease

(i) The details of gross investments and minimum lease rentals outstanding in respect of Property Plant and Equipment acquired on or after April 1, 2001

(₹ in crore)

	Minimum Lease Payments	
	As at March 31, 2018	As at March 31, 2017
Not later than one year	**-**	15
Later than one year and not later than five years	**-**	58
Later than five years	**-**	48
Total	**-**	121
Less: Finance Cost	**-**	31
Present Value of Minimum Lease Payments	**-**	90
Disclosed Under		
Other Long Term Liabilities	**-**	88
Other Current Liabilities	**-**	2
Total	**-**	90

	Present Value of Minimum Lease Payments	
Not later than one year	**-**	2
Later than one year and not later than five years	**-**	49
Later than five years	**-**	39
Total	**-**	90

(ii) General description of the significant leasing arrangements is as mentioned below.

(a) The lease agreement is valid for a fixed non cancellable period from the date of commencement of lease rentals.

(b) Upon termination of the lease agreement, the Company shall return the assets to the lessor.

(c) In the event, the claim of lessor for depreciation is disallowed partly or fully in their tax assessment, the lease rentals will increase to the extent of depreciation disallowed to the lessor.

Note 2.14 (Note 2.43 of Annual Accounts)

2.14.1 Financial Instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes on Accounts to Abridged Consolidated Financial Statements

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest ratea and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

(₹ in crore)

	As at March 31 ,2018	As at March 31 ,2017
Financial assets at amortised cost:		
Cash and cash equivalents	**611**	1,024
Bank Balances	**129**	295
Trade receivables	**2,133**	3,251
Other financial assets	**329**	961
Total	**3,202**	5,531
Financial assets at fair value through Profit and Loss:	**Nil**	Nil
Financial assets at fair value through other Comprehensive Income:		
Investments	**11**	11
Financial liabilities at amortised cost:		
Trade payables	**4,868**	4,746
Deferred Payment Liabilities	**-**	3,328
Other financial liabilities	**1,802**	4,166
Borrowings	**47,234**	45,733
Liabilities directly related to asset held for sale	**6,699**	-
Total	**60,203**	57,973
Financial liabilities at fair value through Statement of Profit and Loss:	**Nil**	Nil
Financial Liabilitites at fair value through other Comprehensive Income:	**Nil**	Nil

2.14.2 Financial Risk Management Objectives and Policies

Activities of the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

The Company has constituted a Risk Management Committee consisting of majority of the directors and senior managerial personnel. The Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance competitive advantage. It defines the risk management approach across the enterprise at various levels including documentation and reporting and contains different risk models, which help in identifying risks trend, exposure and potential impact analysis at the Company level as also separately for the business segments.

The Company has instituted a self governed framework based on identification of potential risk areas, evaluation of risk intensity, and clearcut risk mitigation policies, plans and procedures, both at the enterprise and operating levels. The framework seeks to facilitate a common organisational understanding of the exposure to various risks and uncertainties at an early stage, followed by timely and effective mitigation. This framework is reviewed at periodic intervals.

Notes on Accounts to Abridged Consolidated Financial Statements

Financial risk management

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits, letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in functional currency.	Sensitivity analysis	Un hedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Un hedged
Market risk- price risk	Unquoted investment in equity shares – not exposed to price risk fluctuations	-	–

Market risk

The Company also operates internationally and hence, a portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which it sells and services, purchases from overseas suppliers and borrowings in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect income or value of its holding financial assets/ instruments. The exchange rate between rupee and foreign currencies has changed substantially in recent years and may fluctuate significantly in the future. As a result, operations of the Company are adversely affected as the rupee appreciates/ depreciates against US dollar. Euro. GB pound etc..

Foreign Currency Risk from financial instruments as of :

(₹ in crore)

	March 31, 2018				
	U.S. dollars	**Euro**	**GB Pound**	**Other Currency**	**Total**
Trade Receivables	1,577	-	-	58	1,635
Other financials assets	279	312	20	85	696
Cash & Cash Equivalents	-	62	27	13	102
Borrowings	(16,358)	-	-	-	(16,358)
Trade payables and other financial liabilities	(2,099)	(94)	(44)	(97)	(2,334)
Net assets / (liabilities)	**(16,601)**	**280**	**3**	**59**	**(16,259)**

	March 31, 2017				
	U.S. dollars	Euro	GB Pound	Other Currency	Total
Trade Receivables	1,561	-	-	1	1,562
Other financials assets	278	223	37	30	568
Cash & Cash Equivalents	34	25	38	24	121
Borrowings	(17,869)	-	-	-	(17,869)
Trade payables and other financial liabilities	(1,945)	(188)	(150)	(181)	(2,464)
Net Assets/ (Liabilities)	**(17,941)**	**60**	**(75)**	**(126)**	**(18,082)**

Sensitivity Analysis

A sensitivity of profit or loss to change in the exchange rates arises mainly from foreign currency denominated financial instruments as mentioned below:

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Impact of 2% increse in exchange rate of USD INR	**(332)**	(359)
Impact of 2% increse in exchange rate of Euro INR	**6**	1
Impact of 2% increse in exchange rate of GBP INR	**-**	(2)

If exchange rate is positively affected with decrease by 2%, profit shall also accordingly be affected.

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Interest rate risk of the Company arises from borrowings. The Company endeavors to adopt a policy of ensuring that maximum of its interest rate risk exposure is at fixed rate.

The Group's interest bearing financial instruments are reported as below:

(₹ in crore)

	As at March 31, 2018	As at March 31,2017
Fixed Rate Instruments		
Financial Assets	**96**	388
Financial Liabilities	**11,932**	12,493
Variable Rate Instruments		
Financial Assets	**Nil**	Nil
Financial Liabilities	**35,303**	36,878

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Impact on Profit and Loss/ Equity		
Impact of increase in interest rate by 100 basis point	**(353)**	(369)

If the interest rate is positively affected with decrease by 100 basis point, profit shall also accordingly be affected.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and is calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Derivative financial instruments

The Company does not hold derivative financial instruments

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from the customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. ECL methodology depends on whether there is any significant increase in credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for the customers.

Notes on Accounts to Abridged Consolidated Financial Statements

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/ or domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by the Government and Quasi Government organizations and certificates of deposits which are funds deposited at a bank for a specified time period.

Ageing of Trade Receivable

(₹ in crore)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Gross Amount	**Weighted Average Rate**	**Provision for doubtful debts**	Gross Amount	Weighted Average Rate	Provision for doubtful debts
India Operation						
Not Due	**132**	**4%**	**5**	501	1%	7
0-90 days	**334**	**10%**	**34**	1,191	3%	35
91-180 days	**419**	**20%**	**82**	245	48%	117
181-365 days	**471**	**22%**	**103**	114	47%	54
Above 365 days	**2,081**	**88%**	**1,838**	2,141	77%	1,650
Subtotal	**3,437**		**2,062**	4,192		1,863
Global Operation						
Not Due	**310**	**1%**	**2**	207	-	-
0-90 days	**251**	**2%**	**6**	353	1%	3
91-180 days	**34**	**15%**	**5**	62	2%	1
181-365 days	**28**	**36%**	**10**	127	1%	1
Above 365 days	**310**	**48%**	**150**	453	61%	275
Subtotal	**912**		**174**	1,202		280
Total	**4,369**		**2,236**	5,394		2,143

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Competitive intensity adversely impacted revenue and consequent cash accruals during the year. Consequent to the process of monetisation of the Company led by the Lenders and execution of definitive binding agreements for sale of certain assets, the Company, during the year, exited from consumer business and decided to focus on business portfolio comprising of Business to Business (B2B) businesses namely; Global and Indian enterprise, internet data centres (IDC), global submarine cable network and international long distance voice with Global and Indian customers. This has resulted in restraining drain on liquidity of the continuing operations. However, this, coupled with current level of debt and imminent repayment obligations, has sustained stress on liquidity profile. The Company closely monitors its liquidity position and is attempting to maintain a balance between continuity of funding and flexibility by increasing cash flow generated from its operations and realisations from other proposed measures extended maturity period for repayment of restructure debt.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entails liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of assets, liabilities focused on a medium to long-term perspective and future net cash flows on a day by day basis in order to assess liquidity risk.

Current and prospective liquidity risk is encountered when the Company is required to meet its obligations. The Company's approach to managing liquidity, that it will have sufficient cash and financial assets to meet its obligations and collateral needs, both expected and unexpected, under normal and stressed conditions, without incurring unacceptable losses. Dynamic nature of the underlying businesses necessitates that the treasury function ensures flexibility in funding by maintaining adequate working capital and its availability under committed credit lines, for uninterrupted business operations. Existing operations of the Company are primarily funded through long term loans and advances. The Company is seeking to maintain/ enhance the level of working capital credit lines so that operations are performed at optimum level.

Periodic budgets and rolling forecasts are prepared at the level of operating subsidiaries as regular practice and in accordance with limits specified by the Company. 72% of the total debt will be payable in less than one year i.e. during the financial year ended as at March 31, 2019. Apart from this, there is an outstanding principal of ₹ 13,057 crore as at the end of the year and interest as applicable thereon payable to the lenders. There is delay/default in scheduled repayment of the loans for ₹ 16,791 crore as at the end of the financial year. The Company has been pursuing proposed strategic transactions/ sale of assets and overall financial restructuring with the existing lenders. Such restructuring, when executed, would make available the required liquidity for the continuing business and would also provide an extended maturity period for repayment of restructured balance debt.

Notes on Accounts to Abridged Consolidated Financial Statements

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

(₹ in crore)

Particulars	**As at March 31,2018**	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**Above 5 years**
Trade payables	**4,868**	4,868	4,868	-	-	-
Borrowings	**47,234**	47,270	34,213	12,291	766	-
Interest on Borrowing	**27**	27	27	-	-	-
Other financial liabilities	**1,775**	1,775	1,775	-	-	–
Liabilities directly related to Assets held for Sale	**6,699**	6,699	6,699	-	-	-

Particulars	As at March 31,2017	Total	Less than 1 year	1-2 years	2-5 years	Above 5 years
Trade payables	4,746	4,746	4,746	-	-	-
Borrowings	45,734	46,042	23,322	16,788	5,324	608
Deferred Payment Liabilities	3,328	3,328		16	757	2555
Interest on Borrowing	818	7,286	3,934	1758	1245	349
Interest on Deferred Payment Liabilities	290	3,206	400	910	1208	688
Other financial liabilities	2,581	2,571	2,411	13	31	116

Note 2.15 (Note 2.44 of Annual Accounts)
Earnings per Share (EPS)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Basic and Diluted EPS (after Exceptional Items) from continuing operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(19)**	245
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**2,58,28,68,149**	2,46,77,00,745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(0.07)**	0.99
Basic and Diluted EPS (after Exceptional Items) from discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(23,820)**	(1,648)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**2,58,28,68,149**	2,46,77,00,745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(92.22)**	(6.68)
Basic and Diluted EPS (after Exceptional Items) from continuing and discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(23,839)**	(1,403)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**2,58,28,68,149**	2,46,77,00,745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(92.29)**	(5.69)
Basic and Diluted EPS (before Exceptional Items) from continuing operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(19)**	245
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**2,58,28,68,149**	2,46,77,00,745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(0.07)**	0.99

Notes on Accounts to Abridged Consolidated Financial Statements

		For the year ended March 31, 2018	For the year ended March 31, 2017
Basic and Diluted EPS (before Exceptional Items) from discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(2,565)**	(1,648)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**2,58,28,68,149**	2,46,77,00,745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(9.93)**	(6.68)
Basic and Diluted EPS (before Exceptional Items) from continuing and discontinued operations			
(a)	Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	**(2,584)**	(1,403)
(b)	Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	**2,58,28,68,149**	2,46,77,00,745
(c)	Basic and Diluted Earnings per Share of ₹ 5 each (₹)	**(10.00)**	(5.69)
Reconciliation of weighted average number of ordinary shares			
Issued equity shares		**2,48,89,79,745**	2,48,89,79,745
Add: Issued 276553305 ordinary shares at October 31, 2017		**11,51,67,404**	-
Less: Effect of Treasury shares held		**(2,12,79,000)**	(2,12,79,000)
Weighted average number of shares for basic and diluted EPS		**2,58,28,68,149**	2,46,77,00,745

Note 2.16 (Note 2.45 of Annual Accounts)
Exceptional Items

Pursuant to the direction of the Hon'ble High Court of Judicature at Mumbai/Gujarat and option exercised by the Boards of the respective companies, in accordance with and as per the Scheme of Arrangements ("the Scheme") approved by the Hon'ble High Court under different Schemes of Arrangement binding on the Company and two of its subsidiaries, namely, RCIL and RITL, expenses and/ or losses, identified by the Boards of the respective companies as being exceptional or otherwise, subject to the accounting treatment prescribed in the Schemes and comprising of ₹ 221 crore (Previous year ₹ 467 crore) of depreciation consequent to addition of exchange differences on long term borrowing relating to capital assets to the cost of capitalised assets, as also reversal of ₹ 25 crore (gain) (Previous year ₹ 9 crore) of exchange variations (net) on items other than long term monetary items, ₹ 252 crore (Previous year ₹ 238 crore (loss)) being amortisation of FCMITDA, excluding the portion added to the cost of fixed assets or carried forward as FCMITDA in accordance with Para 46 A inserted into AS 11 "The Effects of Changes in Foreign Exchange Rates" in context of unprecedented volatility in exchange rates during the year, leaving no impact on profit/ loss for the year ended March 31, 2018. Apart from this ₹ 2,948 crore pertaining to impairment of assets have been withdrawn from General Reserve and Reserve for Business Restructuring. Such withdrawals have been included/ reflected in the Statement of Profit and Loss. Had such write off of expenses, losses and depreciation/ amortisation (refer note 2.10.1 (v)) not met from General Reserve, the consolidated financial statements would have reflected a loss after tax of ₹ 27,583 crore (Previous year loss after tax of ₹ 3,202 crore).

Note 2.17 (Note 2.46 of Annual Accounts)
General Reserve

The Company has, from the year ended on March 31, 2008 onwards, combined the balances of General Reserve I, II and III and disclosed as General Reserve in Consolidated Accounts. General Reserve I and II were arising pursuant to the Schemes of demerger of 'Telecommunication Undertaking' of RIL into the Company and the Scheme of Amalgamation and Arrangement of Group Companies respectively in earlier years. General Reserve III includes the reserve arising pursuant to the Schemes of Amalgamation with RGNL.

Note 2.18 (Note 2.47 of Annual Accounts)
Corporate Social Responsibility (CSR) Expenses

(a) Gross amount required to be spent by Subsidiary companies during the year ₹ 35 crore (Previous year ₹ 21 crore).

		For the year ended March 31, 2018		For the year ended March 31, 2017	
		In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
(b)	Amount spent during the year on:				
(i)	Construction / acquisition of any asset	-	-	-	-
(ii)	On purposes other than (i) above	-	**35**	21	-

Note 2.19 (Note 2.48 of Annual Accounts)

Related Parties

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standards Rules, disclosure of the transactions with the related parties as defined therein are given below. All transactions entered into by the Company with related parties, were in ordinary course of business and on arms' length basis.

A List of related parties

Holding Company

1 Reliance Innoventures Private Limited

Fellow subsidiaries

2 Reliance Telecom Infrainvest Private Limited
3 Reliance Big Entertainment Private Limited
4 Reliance Big Broadcasting Private Limited
5 Big Animation (India) Private Limited
6 Big Flicks Private Limited
7 Zapak Digital Entertainment Limited
8 Zapak Mobile Games Private Limited
9 Ralston Trading Private Limited
10 Reliance Transport and Travels Private Limited
11 Reliance Infrastructure Management Private Limited
12 Nationwide Communications Private Limited
13 MedyBiz Private Limited
14 Unlimit IOT Private Limited

Person having control during the year

15 Shri Anil D. Ambani

Enterprises over which individual described in Sr. No. 15 above having control

16 Reliance Capital Limited (RCL)
17 Reliance Nippon Life Asset Management Limited (RCAML) (Formerly Reliance Capital Asset Management Limited)
18 Reliance General Insurance Company Limited (RGICL)
19 Reliance Commodities Limited
20 Reliance Equity Advisors (India) Limited
21 Reliance Money Precious Metals Private Limited
22 Reliance Money Express Limited
23 Reliance Home Finance Limited
24 Reliance Securities Limited
25 Reliance Composite Insurance Broking Limited
26 Reliance Financial Limited
27 Reliance Money Solutions Private Limited
28 Reliance Exchangenext Limited
29 Reliance Infrastructure Limited (RIFL)
30 Mumbai Metro One Private Limited
31 Reliance Sealink One Private Limited
32 HK Toll Road Private Limited
33 Parbati Koldam Transmission Company Limited
34 GF Toll Road Private Limited
35 KM Toll Road Private Limited
36 DA Toll Road Private Limited
37 Reliance Energy Limited (REL)
38 DS Toll Road Limited
39 Reliance Defence Limited
40 Vidarbha Industries Power Limited
41 Reliance Power Limited

Enterprises over which individual described in Sr. No. 15 above having control

42 BSES Kerala Power Limited
43 Sasan Power Limited
44 Rosa Power Supply Company Limited
45 Jharkhand Integrated Power Limited
46 Tato Hydro Power Private Limited
47 Rajasthan Sun Technique Energy Private Limited
48 Chitrangi Power Private Limited
49 Reliance Cleangen Limited (RCGL)
50 Delhi Airport Metro Express Private Limited
51 SU Toll Road Private Limited
52 NK Toll Road Limited
53 TD Toll Road Private Limited
54 BSES Rajdhani Power Limited
55 Reliance Coal Resources Private Limited
56 Coastal Andhra Power Limited
57 Reliance Corporate Advisory Services Limited (Formerly Reliance Spot Exchange Infrastructure Limited)
58 Reliance Wealth Management Limited
59 Reliance Nippon Life Insurance Company Limited (Formerly Reliance Life Insurance Company Limited)

Key Managerial Personnel

60 Shri Punit Garg - Executive Director (w.e.f. October 2, 2017)
61 Shri Manikantan V. - Director and Chief Financial Officer (w.e.f. October 2, 2017)
62 Shri Prakash Shenoy - Company Secretary

Employee Benefits Trust

63 Reliance Infocomm Limited Employees Provident Fund
64 Reliance Communications Infrastructure Limited Employees Provident Fund
65 Reliance Telecom Limited Employees Provident Fund
66 Chemicals and Fibers of India Limited Provident Fund
67 Reliance Infocomm Limited Employees Superannuation Scheme
68 Reliance Communications Infrastructure Limited Employees Superannuation Scheme
69 Reliance Telecom Limited Employees Superannuation Scheme
70 Reliance Infocomm Limited Employees Gratuity Fund
71 Reliance Communications Infrastructure Limited Employees Gratuity Fund
72 Reliance Telecom Limited Employees Gratuity Fund
73 Reliance Globalcom Limited Employees Group Gratuity Assurance Scheme
74 Reliance Globalcom Limited Employees Superannuation Scheme
75 Reliance Tech Services Private Limited Employees Group Gratuity Assurance Scheme

B Transactions during the year with related parties

(Figures in bracket represent Previous year) (₹ in crore)

		Holding Company	Fellow Subsidiaries	Enterprises over which person having control	Employee Benefits Trust	Others	Total
(i)	**Trade Receivable**	**-**	**1**	**17**	**-**	**-**	**18**
		(-)	(8)	(118)	(-)	(-)	(126)
(ii)	**Loans and Advances**	**-**	**-**	**1**	**-**	**-**	**1**
		(-)	(-)	(13)	(-)	(-)	(13)
(iii)	**Trade Payable**	**-**	**-**	**16**	**-**	**-**	**16**
		(-)	(3)	(13)	(-)	(-)	(16)
(iv)	**Borrowing - Current**	**-**	**-**	**641**	**-**	**-**	**641**
		(-)	(-)	(1,764)	(-)	(-)	(1,764)
(v)	**Other Current Liabilities**	**-**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(33)	(-)	(-)	(33)
(vi)	**Loans Taken**						
	Opening Balance as on April 1, 2017	**-**	**-**	**861**	**-**	**-**	**861**
		(-)	(-)	(106)	(-)	(-)	(106)
	Add: Taken/Adjusted during the year	**-**	**-**	**776**	**-**	**-**	**776**
		(-)	(-)	(861)	(-)	(-)	(861)
	Less: Repayment during the year	**-**		**7**	**-**	**-**	**7**
		(-)	(-)	(106)	(-)	(-)	(106)
	Balance as on March 31, 2018	**-**	**-**	**1,630**	**-**	**-**	**1,630**
		-	(-)	(861)	(-)	-	(861)
(vii)	**Income**						
	Service Income	**-**	**-**	**44**	**-**	**-**	**44**
		(-)	(2)	(61)	(-)	(-)	(63)
	Other Income	**-**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(1)	(-)	(-)	(1)
(viii)	**Expenditure**						
	Network Operation Expenses	**-**	**-**	**12**	**-**	**-**	**12**
		(-)	(-)	(26)	(-)	(-)	(26)
	General and Administration Expenses	**-**	**-**	**35**	**-**	**-**	**35**
		(-)	(1)	(21)	(-)	(-)	(22)
	Finance Cost	**-**	**-**	**-**	**-**	**-**	**-**
		(-)	(-)	(135)	(-)	(-)	(135)
(ix)	**Employee Benefit Expenses**	**-**	**-**	**-**	**3**	**-**	**3**
		(-)	(-)	(-)	(20)	(-)	(20)
(x)	**Person having control during the year**						
	Shri Anil D. Ambani - Sitting fees	**-**	**-**	**-**	**-**	**-**	**-**
	₹ 4,40,000 (Previous year ₹ 5,60,000)	(-)	(-)	(-)	(-)	(-)	(-)
(xi)	**Key Managerial Personnel**						
	Managerial Remuneration*						
	Shri Punit Garg	**-**	**-**	**-**	**-**	**1**	**1**
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Manikantan V.	**-**	**-**	**-**	**-**	**1**	**1**
		(-)	(-)	(-)	(-)	(-)	(-)
	Shri Prakash Shenoy	**-**	**-**	**-**	**-**	**1**	**1**
		(-)	(-)	(-)	(-)	(1)	(1)

* subject to approval of the members by way of a special resolution in the ensuing annual general meeting.

Notes on Accounts to Abridged Consolidated Financial Statements

The following table describes the components of compensation paid or payable to key management personnel for the services rendered during the year ended:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and other benefits	**2,74,96,566**	72,86,249
Contributions to defined contribution plans	**15,32,247**	4,55,371
Commission to directors	**-**	-
Share-based payments expense	**-**	-
Total	**2,90,28,813**	77,41,620

Some of the key management personnel of the Company are also covered under the Company's Gratuity Plan along with the other employees of the Company. Proportionate amounts of gratuity accrued under the Company's Gratuity Plan have not been separately included in the above disclosure.

Note 2.20 (Note 2.49 of Annual Accounts)

Employee Stock Option Scheme

The Company operates a Employee Stock Option Plan; ESOS Plan 2009, which cover eligible employees of the Company and its Subsidiaries. ESOS Plan 2008 was also operational till previous year. ESOS Plans are administered through an ESOS Trust. The Vesting of the options is on the expiry of one year from the date of Grant as per Plan under the respective ESOS(s). In respect of Options granted, the accounting value of Options (based on market price of the share on the date of the grant of the option) is accounted as deferred employee compensation, which is amortised on a straight line basis over the Vesting Period. Each Option entitles the holder thereof to apply for and be allotted/ transferred one Equity Share of the Company of ₹ 5 each upon payment of the Exercise Price during the Exercise Period. The maximum Exercise Period is 10 years from the date of Grant of Options.

The Company had established a Trust for the implementation and management of ESOS for the benefit of its present and future employees. Advance of ₹ 387 crore (Previous year ₹ 387 crore) has been granted to the Trust and the said amount has been utilised by the Trust for purchasing 2.13 crore (Previous year 2.13 crore) Equity Shares during the period upto March 31, 2018. The fall in the value of these underlying shares on account of market volatility and the loss, if any, can be determined only at the end of the exercise period under ESOS Scheme.

Amortization of compensation includes write back of ₹ 1 crore (Previous year ₹ 3,27,600) based on intrinsic value of Options which has been vested under ESOS Plan 2008 and reflected in Statement of Profit and Loss under Employees Benefits Expenses. No amount is chargeable in respect of Options granted under ESOS Plan 2009.

Particulars	**Employees Stock Option Plans**			
	ESOS Plan 2008		**ESOS Plan 2009**	
	Number of Options	**Weighted average exercise price [₹]**	**Number of Options**	**Weighted average exercise price [₹]**
Number of Options Outstanding at the beginning of the year	48 124	417	5 53 454	206
Number of Options granted	Nil	-	Nil	-
Total number of Options surrendered		-		-
Number of Options vested during the year	Nil	-	Nil	-
Total number of Options exercised	Nil	-	Nil	-
Total number of Options forfeited/ lapsed	48 124	417	1 59 918	206
Number of Options outstanding at the end of the year	-	-	3 93 536	206

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was less than **a** year.

If the entity would have estimated fair value computed on the basis of Black Scholes pricing model, the compensation cost for the year ended March 31, 2018 for ESOS Plan 2009 would have been ₹ 2.06 crore. The key assumptions used to estimate the fair value of options are given below.

Particulars	**ESOS Plan 2009**
Risk-free interest rate	6.73%
Expected life	1 year
Expected volatility	86.25%
Expected dividend yield	0.07%
Price of the underlying share in market at the time of option grant	₹ 174

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 2.21 (Note 2.50 of Annual Accounts)

Employee Benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The management is responsible for the overall governance of the plan. The management has outsourced the investment management of the fund to insurance company which in turn manages these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2018 and March 31, 2017, the contributions towards the plans have been invested in Insurer Managed Funds.

The plan is in the nature of defined benefit plan which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The defined benefit plan exposes the Group to actuarial risk such as logentivity risk. interest risk and market (Investment) risk. The following table set out the status of the Gratuity Plan as required under Ind AS 19 "Employee Benefits:

(₹ in crore)

	Particulars	As at	
		March 31, 2018	March 31, 2017
(i)	**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**		
	Obligation at beginning of the year	**57**	48
	Service cost	**6**	6
	Interest cost	**4**	4
	Actuarial (gain)/ loss recognised in other comprehensive income	**(17)**	5
	Change in financial assumption	**-**	-
	Experience Adjustment	**-**	-
	Benefits paid	**(9)**	(6)
	Liabilites Extinguished on Settlement	**-**	-
	Obligation at year end	**41**	57
	Defined benefit obligation liability is wholly funded by the Company		
(ii)	**Change in plan assets**		
	Plan assets at beginning of the year, at fair value	**10**	9
	Expected return on plan assets	**1**	1
	Actuarial (gain)/ loss recognised in other comprehensive income	**-**	-
	Contributions	**13**	5
	Benefits paid from the fund	**(15)**	(5)
	Assets distributed on settlement	**-**	-
	Plan assets at year end, at fair value	**8**	10
(iii)	**Reconciliation of present value of the obligation and the fair value of the plan assets**		
	Fair value of plan assets at the end of the year	**8**	10
	Present value of the defined benefit obligations at the end of the year	**41**	57
	Liability recognised in the Balance Sheet	**33**	47
(iv)	**Expense recognised in Profit or Loss**		
	Service Cost	**6**	6
	Interest Cost	**4**	4
	Total	**10**	10
(v)	**Amount recognised in other comprehensive income**		
	Actuarial (gain)/ loss recognised in other comprehensive income	**(4)**	1
	Expected return on plan assets (Previous year ₹ 23,97,951)	**1**	-
	Total	**(3)**	1
(vi)	**Experience adjustment**		
	On Plan Liabilities (Gain)/Loss	**1**	1
	On Plan Assets Gain / (Loss)	**-**	-

Notes on Accounts to Abridged Consolidated Financial Statements

(₹ in crore)

	Particulars	As at March 31, 2018	As at March 31, 2017
(vii)	**Investment details of plan assets**		
	100% of the plan assets are invested in balanced Fund Instruments		
(viii)	**Actual return on plan assets** ₹ 1,00,832 (Previous year ₹ 8,79,752)		
(ix)	**Assumptions**		
	Interest rate	**7.65%**	6.82%
	Estimated return on plan assets	**7.65%**	6.82%
	Salary Growth rate	**8.00%**	8.00%
	Employee Turnover Rate	**For Service 4 year and below 35% and 2% thereafter**	For Service 4 year and below 35% and 2% thereafter

Mortality in Retirement: LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(x) Particulars of the amounts for the year and previous years

	As at March 31,				
	2018	2017	2016	2015	2014
Present Value of benefit obligation	**41**	57	48	41	41
Fair value of plan assets	**8**	10	9	10	16
Excess of (obligation over plan assets) / plan assets over obligation	**(33)**	(47)	(39)	(31)	(25)

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2018.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in crore)

	As at March 31,2018	As at March 31,2017
Discount rate (+1% movement)	**(2)**	(5)
Discount rate (-1% movement)	**2**	5
Future salary growth (+1% movement)	**2**	5
Future salary growth (-1% movement)	**(2)**	(5)
Employee Turnover (+ 1% movement) (Amount in ₹)	**(21,44,992)**	(64,07,390)
Employee Turnover (- 1% movement) (Amount in ₹)	**22,81,974**	70,02,009

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(xi) Maturity analysis defined benefit plan (fund)

Project benefit payable in future from the date of reporting		
1st following year	**8**	2
2nd following year	**2**	2
3rd following year	**3**	2
4th following year	**3**	3
5th following year	**3**	3
sum of 6 to 10 years	**15**	22
sum of years above 11 years	**20**	–

Provident Fund: Under this scheme,the employee and employer each make monthly contribution to the plan equal to 12% of the covered employee's salary. Contributions are made to the trust established by the Company. As at March 31, 2018, Fair value of plan assets is ₹ 210 crore (Previous year ₹ 235 crore), the present value of defined benefit obligation is ₹ 186 crore (Previous year ₹ 213 crore). For the year ended March 31, 2018, the Company has contributed ₹ 12 crore (Previous year ₹ 5 crore) towards Provident Fund. The Employee Benefits as disclosed herein pertain to the Company and its significant subsidiaries.

The assumptions made for the above are Discount rate of 7.65%, average remaining tenure of Investment Portfolio is 5 years and guaranteed rate of return is 8.55%.

Note 2.22 (Note 2.51 of Annual Accounts)
Capital Management

Capital of the Group, for the purpose of capital management, includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value.

The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Equity	**2,783**	28,569
(b)	Debt	**47,234**	45,733
(c)	Equity and Debt (a + b)	**50,017**	74,302
(d)	Capital Gearing Ratio (b / c)	**94%**	62%

Increase in Capital gearing ratio reflects reduction in equity on account of net losses incurred during the year and withdrawal of depreciation / amortisation of fair value of assets and loss on account of change in exchange rates from General Reserve as permitted by the Court Scheme.

Note 2.23 (Note 2.52 of Annual Accounts)
Post Reporting Events

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorisation.

Note 2.24 (Note 2.53 of Annual Accounts)
Discontinued Operations:

The Company has, pursuant to strategic transformation programme as a part of debt resolution plan and process of monetisation led by the Lenders, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on 28th December 2017 for sale of Wireless Spectrum, Tower, Fiber and Media Convergence Nodes (MCN) assets. Further, the Company has also entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited for sale of Independent TV Limited (Formerly known as Reliance Big TV Limited) subsidiary of the Company having DTH Business. Consequently, the said assets along with liabilities, revenue and expenses related thereto have been classified as assets held for sale and disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations"

Financial Performance of discontinued operations forming part of India Operations is presented hereunder:

(₹ in crore)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income		
Revenue from Operations	**4,458**	12,939
Other Income	**341**	373
Total Income	**4,799**	13,312
Expenses		
Access Charges, License Fee and Network Expenses	**4,323**	6,446
Employee Benefit Expenses	**374**	696
Finance Costs	**1,153**	3,306
Depreciation, Impairment and Amortisation	**2,146**	3,400
Sales and General Administrative Expenses	**1,359**	2,006
Total Expenses	**9,355**	15,854
Profit/(Loss) before exceptional items and tax from discontinued operations	**(4,556)**	(2,542)
Cashflow from		
- Operating activities	**(98)**	(747)
- Investing activities	**(117)**	1,023
- Financing activities	**(787)**	500

Notes on Accounts to Abridged Consolidated Financial Statements

Note 2.25 (Note 2.54 of Annual Accounts)

Non Provision of Interest

The Company was engaged with Joint Lenders' Forum (JLF), constituted on June 2, 2017 and under standstill period till December 2017 pursuant to the Strategic Debt Restructuring Scheme (SDR Scheme) of Reserve Bank of India (RBI). Consequent to circular of 12th February, 2018 of RBI, the Company continued to work closely with the Lenders to finalise an overall debt resolution plan. Pursuant to strategic transformation programme, as a part of debt resolution plan of the Company under consideration, inter alia of the Lenders, the Company and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), with the permission of and on the basis of suggestions of the Lenders, had for monetization of some specified Assets, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). Further, the Company has also entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited for sale of its subsidiary company having DTH Business. The Company and its said subsidiaries expected to close these transactions in a phased manner. In the meanwhile, Hon'ble National Company Law Tribunal (NCLT), Mumbai has, overruling the objections of the Company as also its lenders represented by State Bank of India, the lead member, vide its order dated May 15, 2018 admitted applications filed by an operational creditor for its claims against the Company and its subsidiaries; RTL and RITL and thereby admitted the companies to debt resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed vide NCLT's order dated May 18, 2018. The Company along with the support of the lenders filed an appeal with Hon'ble National Company Law Appellate Tribunal (NCLAT) challenging the order of NCLT admitting the Company to IBC proceedings. The Hon'ble NCLAT, vide its order dated May 30, 2018, stayed the order passed by NCLT and consequently, the Board stands reinstated. Further, Minority Shareholders holding 4.26% stake in RITL had accused the management of RITL of "Oppression of minority shareholders and mismanagement" and filed a petition in NCLT. Based on an amendment to the Petition, the NCLT stayed RITL's proposed asset sale (Tower and Fibre). The parties have subsequently settled the dispute and the restriction on sale stands vacated pursuant to order admitting RITL to the IBC proceeding is vacated. The Company is confident that a suitable debt resolution plan would be formulated along with its lenders as per the strategic transformation programme.

During the year, considering all the factors including the Company's request for waiver of interest and admission of the Company to debt resolution process under the IBC, the Company and its subsidiaries, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and without implying in any way that the terms of lending by banks and the other lenders are altered, has not provided interest of ₹ 3,609 crore. Had the Company and its subsidiaries provided Interest, the Loss would have been higher by ₹ 3,609 crore, but the impact is likely to be nil if request for waiver is accepted by lenders.

Note 2.26 (Note 2.55 of Annual Accounts)

Consolidated Segment Information:

The Company has identified and disclosed segment information, as "India Operations" and "Global Operations". The segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organisational structure by geographical locations of its operations, where its service rendering activities are based. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment assets and liabilities represent the assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Information (₹ in crore)

Particulars	India Operaions	Global Operations	Unallocable	Eliminations	Total
Segment Revenue					
External Revenue	**2,195**	**2,489**	**-**	**-**	**4,684**
	2,993	*3,644*	-	-	*6,637*
Inter Segment Revenue	**339**	**444**	**-**	**(783)**	**-**
	1,059	*750*	-	*(1,809)*	-
Total	**2,534**	**2,933**	**-**	**(783)**	**4,684**
	4,052	*4,394*	-	*(1,809)*	*6,637*

Notes on Accounts to Abridged Consolidated Financial Statements

Segment Information

(₹ in crore)

Particulars	India Operaions	Global Operations	Unallocable	Eliminations	Total
Segment Result before Exceptional and non recurring items, interest & taxes	**220**	**(42)**	**-**	**-**	**178**
	224	*183*	*-*	*-*	*407*
Less: Finance Expense	**-**	**-**	**186**	**-**	**186**
	-	*-*	*255*	*-*	*255*
Segment Result before Exceptional and non recurring items, taxes	**220**	**(42)**	**(186)**	**-**	**(8)**
	224	*183*	*(255)*	*-*	*152*
Less: Provision for Taxation	**-**	**-**	**16**	**-**	**16**
	-	*-*	*(90)*	*-*	*(90)*
Segment Result after Tax	**220**	**(42)**	**(202)**	**-**	**(24)**
	224	*183*	*(165)*	*-*	*242*
Total Profit/(Loss) after Tax from Discontinued Operation	**(23,888)**	**-**	**-**	**-**	**(23,888)**
	(1,528)	*-*	*-*	*-*	*(1,528)*
Other Information					
Segment Assets	**60,827**	**11,645**	**4,924**	**(2,818)**	**74,578**
	83,947	*12,139*	*6,232*	*(2,587)*	*99,731*
Segment Liabilities	**17,734**	**6,291**	**49,758**	**(2,320)**	**71,463**
	16,017	*6,465*	*50,294*	*(2,014)*	*70,762*
Capital Expenditure	**2,225**	**191**	**-**	**-**	**2,416**
	3,405	*174*	*-*	*-*	*3,579*
Depreciation	**66**	**655**		**-**	**721**
	129	*692*		*-*	*821*

(Figures relating to current period are reflected in Bold, relating to previous year are reflected in italic.)
India operations includes assets held for sale

(c) The reportable Segments are further described below:

- The India Operations includes operations of the Company and its subsidiaries in India, Globalcom IDC Limited and Reliance Realty Limited.
- The Global Operations includes the retail operations outside India of Reliance Communications (UK) Limited, Reliance Communications International Inc., Reliance Communications Canada Inc., Reliance Communications (Australia) Pty. Limited, Reliance Communications (New Zealand) Pte. Limited and wholesale operations outside India of its subsidiary viz. Reliance Globalcom BV and its subsidiaries.

Notes on Accounts to Abridged Consolidated Financial Statements

Note 2.27 (Note 2.16 of Annual Accounts)

(a) Assets held for Sale

During the year, the following assets have been classified as assets held for sale and recorded at lower of carrying amount and fair value less cost to sell. Refer Note 2.05.1, 2.05.2 and 2.05.3 for security in favours of lenders.

(₹ in crore)

Particulars	For the year ended March 31, 2018		
	Net Block Reclassified from PPE and Intangible Assets	**Provision for Impairment**	**Assets Held for Sale (net)**
Tangible			
Leasehold Land	29	-	29
Freehold Land	473	-	473
Leasehold Improvements	4	4	-
Buildings	858	-	858
Plant and Machinery	34,311	17,058	17,253
Office Equipments	2	1	1
Furniture and Fixtures	4	-	4
Capital Work in Progress	450	230	220
Sub total	**36,130**	**17,293**	18,837
Intangible			
Telecom License	20,037	2,961	17,075
Software	37	37	-
Intangible Assets under Development	1,007	85	922
Sub total	**21,081**	**3,083**	**17,997**
Total	**57,210**	**20,376**	**36,834**

(b) Provision for impairment of receivable, advances and other assets ₹ 3,827 crore

(c) Liabilities directly related to Assets held for Sale	**As at March 31, 2018**
Deferred Payment Liabilities	**5,340**
Interest Accrued on Deferred Payment Liabilities	**1,359**
	6.699

Note 2.28 (Note 2.56 of Annual Accounts)

Authorisation of Financial Statements

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors on May 30, 2018.

Note 2.29 (Note 2.57 of Annual Accounts)

Additional Information of Subsidiaries / Associates as required under Schedule III of the Companies Act, 2013

SL No	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of consolidated TCI	Amount (₹ in crore)
Parent Company									
1	Reliance Communications Limited	334.71	9,316.00	41.28	(9,870.00)	(6.98)	3.00	41.20	(9,867.00)
Indian Subsidiaries									
2	Reliance Communications Infrastructure Limited	(6.26)	(174.23)	6.45	(1,542.22)	-	-	6.44	(1,542.22)
3	Reliance Infratel Limited	48.59	1,352.30	2.99	(714.49)	3.44	(1.48)	2.98	(713.01)
4	Reliance WiMax Limited	0.14	4.01	0.00	(0.07)	-	-	0.00	(0.07)
5	Globalcom IDC Limited (Formerly Reliance IDC Limited)	0.63	17.44	(0.03)	6.59	(0.37)	0.16	(0.03)	6.43
6	Reliance Bhutan Limited	0.00	0.00	0.00	(0.00)	-	-	0.00	(0.00)

Notes on Accounts to Abridged Consolidated Financial Statements

SL No	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of consolidated TCI	Amount (₹ in crore)
7	Campion Properties Limited	(1.90)	(53.00)	0.06	(13.81)	–	–	0.06	(13.81)
8	Reliance Webstore Limited	(21.93)	(610.44)	2.22	(531.73)	–	–	2.22	(531.73)
9	Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited)	(9.09)	(253.10)	2.32	(555.07)	0.23	(0.10)	2.32	(554.97)
10	Reliance Telecom Limited	(231.57)	(6,445.40)	18.66	(4,461.24)	(0.07)	0.03	18.63	(4,461.27)
11	Independent TV Limited (Formerly Reliance Big TV Limited)	(25.25)	(702.88)	0.50	(119.38)	0.51	(0.22)	0.50	(119.16)
12	Reliance Tech Services Limited	(0.38)	(10.50)	0.04	(8.68)	3.26	(1.40)	0.03	(7.28)
13	Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)	0.01	0.15	0.00	(0.02)			0.00	(0.02)
14	Reliance Globalcom Limited	0.09	2.37	(0.00)	0.24	(2.02)	0.87	0.00	1.11
15	Reliance Communications Tamilnadu Limited	(0.06)	(1.63)	0.00	(0.01)	–	–	0.00	(0.01)
16	Reliance BPO Private Limited	(0.27)	(7.58)	0.03	(6.72)	–	–	0.03	(6.72)
17	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	0.00	0.04	0.00	(0.00)	–	–	0.00	(0.00)
18	Reliance Infra Projects Limited	0.00	0.04	0.00	(0.00)	–	–	0.00	(0.00)
19	Internet Exchangenext.com Ltd.	0.00	0.06	(0.00)	0.00	–	–	(0.00)	0.00
20	Realsoft Cyber Systems Private Limited	(0.03)	(0.88)	(0.00)	0.00	–	–	(0.00)	0.00
21	Worldtel Tamilnadu Private Limited	(3.64)	(101.27)	0.42	(99.35)	–	–	0.41	(99.35)
22	Towercom Infrastructure Private Limited	(0.00)	(0.03)		(0.02)	–	–	0.00	(0.02)
Foreign Subsidiaries									
23	Gateway Net Trading Pte. Limited	(6.76)	(188.19)	0.31	(73.08)	–	–	0.31	(73.08)
24	Reliance Globalcom BV	7.61	211.93	0.02	(5.63)	–	–	0.02	(5.63)
25	Reliance Infocom Inc.	(0.46)	(12.84)	0.00	(1.19)	–	–	0.00	(1.19)
26	Reliance Communications Inc.	4.96	138.10	0.17	(40.84)	–	–	0.17	(40.84)
27	Reliance Communications International Inc.	1.77	49.27	(0.01)	1.98	–	–	(0.01)	1.98
28	Reliance Communications Canada Inc.	(0.01)	(0.30)	(0.00)	0.07	–	–	–	0.07
29	Bonn Investment Inc.	(0.27)	(7.59)	0.00	(0.88)	–	–	0.00	(0.88)
30	Reliance Communications (U.K.) Limited	4.85	134.92	(0.07)	17.44	–	–	(0.07)	17.44
31	Reliance Communications (Hong Kong) Limited	(0.32)	(8.89)	0.11	(25.83)	–	–	0.11	(25.83)
32	Reliance Communications (Australia) Pty. Limited	0.09	2.42	0.00	(0.18)	–	–	0.00	(0.18)
33	Reliance Communications (New Zealand) Pte. Limited	(0.03)	(0.91)	0.00	(0.02)	–	–	0.00	(0.02)
34	Reliance Communications (Singapore) Pte. Limited	58.67	1,632.87	0.00	(0.17)	–	–	0.00	(0.17)
35	Anupam Globalsoft (U) Limited	0.07	2.04	–	–	–	–	–	–
36	Reliance Globalcom Limited, Bermuda	221.96	6,177.82	(0.48)	114.23	(24.35)	10.47	(0.52)	124.69
37	FLAG Telecom Asia Limited	4.41	122.79	(0.01)	2.05	(1.45)	0.62	(0.01)	2.68

Notes on Accounts to Abridged Consolidated Financial Statements

SL No	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of consolidated TCI	Amount (₹ in crore)
38	FLAG Telecom Japan Limited	(17.81)	(495.59)	(0.01)	1.66	5.73	(2.46)	0.00	(0.81)
39	FLAG Telecom Singapore Pte. Limited	(3.34)	(93.04)	(0.00)	1.03	1.07	(0.46)	(0.00)	0.57
40	Seoul Telenet Inc.	(3.39)	(94.33)	(0.00)	0.89	1.25	(0.54)	(0.00)	0.36
41	FLAG Holdings (Taiwan) Limited	1.11	30.89	0.00	(0.18)	0.05	(0.02)	0.00	(0.20)
42	FLAG Telecom Taiwan Limited	3.35	93.38	0.04	(8.93)	(0.01)	0.00	0.04	(8.93)
43	Reliance Globalcom (UK) Limited	2.81	78.22	(0.02)	3.77	(0.96)	0.41	(0.02)	4.18
44	FLAG Telecom Deutschland GmbH	(0.05)	(1.28)	(0.00)	0.03	0.02	(0.01)	(0.00)	0.03
45	FLAG Telecom Network Services DAC	(0.22)	(6.08)	0.00	(0.01)	0.07	(0.03)	0.00	(0.04)
46	Reliance FLAG Telecom Ireland DAC	0.48	13.39	(0.16)	38.19	(0.71)	0.31	(0.16)	38.50
47	FLAG Telecom Ireland Network DAC	(0.91)	(25.36)	(0.00)	0.06	0.29	(0.13)	0.00	(0.07)
48	FLAG Atlantic UK Limited	(26.75)	(744.56)	(0.01)	2.47	8.60	(3.70)	0.01	(1.23)
49	Reliance FLAG Atlantic France SAS	(38.92)	(1,083.32)	(0.06)	13.40	12.37	(5.32)	(0.03)	8.08
50	FLAG Telecom Nederland BV	(0.08)	(2.28)	0.00	(0.06)	0.03	(0.01)	0.00	(0.07)
51	FLAG Telecom Hellas AE	(0.07)	(1.91)	0.00	(0.08)	0.03	(0.01)	0.00	(0.09)
52	FLAG Telecom Espana Network SAU	(2.38)	(66.18)	0.00	(0.94)	0.79	(0.34)	0.01	(1.28)
53	FLAG Telecom Development Services Company LLC	(0.06)	(1.60)	(0.00)	0.05	0.02	(0.01)	(0.00)	0.05
54	Reliance FLAG Pacific Holdings Limited	(15.80)	(439.86)	0.00	(0.00)	5.10	(2.19)	0.01	(2.20)
55	FLAG Telecom Network USA Limited	(13.79)	(383.80)	(0.04)	8.80	4.32	(1.86)	(0.03)	6.94
56	FLAG Telecom Group Services Limited	23.42	651.79	0.01	(1.90)	(7.53)	3.24	(0.01)	1.34
57	FLAG Telecom Development Limited	0.16	4.45	-	-	(0.05)	0.02	(0.00)	0.02
58	Yipes Holdings Inc.	(0.00)	(0.13)	0.00	(0.05)	23.89	(10.27)	0.04	(10.32)
59	Reliance Globalcom Services Inc.	1.71	47.46	(0.16)	37.80	21.12	(9.08)	(0.12)	28.72
60	YTV Inc.	0.00	0.00	-	-	-	-	0.00	-
61	Reliance Vanco Group Limited	18.64	518.83	(0.31)	74.63	(80.04)	34.41	(0.46)	109.05
62	Vanco UK Limited	(13.73)	(382.10)	(0.06)	14.15	136.34	(58.62)	0.19	(44.48)
63	Vanco (Asia Pacific) Pte. Limited	(0.02)	(0.45)	0.02	(4.22)	1.60	(0.69)	0.02	(4.91)
64	Vanco Sweden AB	0.04	1.00	0.00	(0.09)	(0.12)	0.05	0.00	(0.04)
65	Vanco GmbH	(4.00)	(111.39)	(0.02)	4.56	43.57	(18.73)	0.06	(14.18)
66	Vanco Deutschland GmbH	(3.04)	(84.47)	(0.01)	2.67	28.82	(12.39)	0.04	(9.72)
67	Vanco SRL (Italy)	(1.31)	(36.47)	0.01	(3.50)	13.67	(5.88)	0.04	(9.38)
68	Vanco BV (Holland)	(2.12)	(58.88)	0.01	(1.34)	21.86	(9.40)	0.04	(10.73)
69	Euronet Spain SA	0.61	17.00	(0.00)	0.45	(1.00)	0.43	(0.00)	0.88
70	Vanco SAS (France)	(13.65)	(379.86)	0.01	(1.88)	127.49	(54.81)	0.24	(56.69)
71	Vanco Sp Zoo	0.02	0.67	(0.00)	0.19	(0.04)	0.02	(0.00)	0.21
72	Vanco Australasia Pty Limited	(0.88)	(24.40)	0.02	(5.32)	1.66	(0.71)	0.03	(6.04)
73	Vanco NV	(2.02)	(56.21)	0.00	(0.31)	20.26	(8.71)	0.04	(9.02)
74	Vanco Japan KK	0.05	1.34	(0.00)	0.02	(0.12)	0.05	(0.00)	0.07
75	Vanco South America Ltda	(1.05)	(29.29)	0.02	(5.03)	(1.80)	0.78	0.02	(4.25)
76	Net Direct SA (Proprietary) Limited	(0.10)	(2.88)	-	-	-	-	0.00	-
77	Vanco (Shanghai) Co. Ltd.	(0.01)	(0.36)	(0.00)	0.02	0.36	(0.16)	0.00	(0.14)
78	Vanco Solutions Inc.	(0.52)	(14.36)	0.03	(6.86)	0.62	(0.26)	0.03	(7.13)
79	Vanco US LLC	(4.42)	(122.98)	0.07	(17.09)	4.73	(2.03)	0.08	(19.13)

Notes on Accounts to Abridged Consolidated Financial Statements

SL No	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated OCI	Amount (₹ in crore)	As % of consolidated TCI	Amount (₹ in crore)
80	Vanco International Limited	0.44	12.38	(0.02)	5.26	(2.50)	1.07	(0.03)	6.33
81	Vanco Switzerland A.G.	0.30	8.32	(0.00)	0.06	(1.02)	0.44	(0.00)	0.50
82	Vanco Global Limited	(0.23)	(6.45)	0.02	(4.52)	2.51	(1.08)	0.02	(5.60)
83	Vanco ROW Limited	0.40	11.17	(0.01)	3.37	(2.78)	1.19	(0.02)	4.57
84	VNO Direct Limited	(1.11)	(30.97)	0.00	(0.04)	10.23	(4.40)	0.02	(4.44)
85	Lagerwood Investments Limited	0.08	2.27	0.00	(0.14)	-	-	0.00	(0.14)
86	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	0.99	27.68	0.00	(0.33)	-	-	0.00	(0.33)
87	Global Cloud Xchange Limited	79.49	2,212.52	(0.00)	0.26	62.87	(27.03)	0.11	(26.77)
88	GCX Limited	66.71	1,856.76	0.75	(179.23)	69.61	(29.93)	0.87	(209.16)
89	Aircom Holdingco B.V	(0.00)	(0.10)	0.00	(0.04)	-	-	0.00	(0.04)
Minority Interests in all subsidiaries		(11.94)	(332.15)	0.28	(67.91)	-	-	0.28	(67.91)
Indian									
1	Mumbai Metro Transport Private Limited	(0.00)	(0.00)	-	-	-	-	-	-
Foreign									
2	Warf Telecom International Private Limited	0.92	25.64	(0.02)	4.90	-	-	(0.02)	4.90

As per our report of even date
For **Pathak H.D. & Associates**
Chartered Accountants
Firm Reg. No.: 107783W

Parimal Kumar Jha
Partner
Membership No: 124262

Mumbai
May 30, 2018

For and on behalf of the Board

Director	**Punit Garg**
Director and Chief Financial Officer	**Manikantan V.**
Company Secretary	**Prakash Shenoy**

Statement containing salient features of the financial statement of subsidiaries/ associate companies /joint ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

(Rs. In lakh unless otherwise stated)

Sl. No.	Name of the Subsidiary	Date from which they became subsidiary companies	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment	Turnover *	Profit / (Loss) before Taxation*	Provision for Taxation*	Profit / (Loss) after Taxation*	Proposed Dividend	% of Shareholding
1	Reliance Communication Infrastructure Limited	1st January 2006	93,800.00	(1,11,223.00)	6,57,387.00	6,74,808.00	1.00	25,020.51	(1,54,221.73)	-	(1,54,221.73)	-	100.00
2	Reliance Infratel Limited	1st January 2006	2,79,300.00	(1,44,070.00)	12,87,107.86	11,51,877.86	-	3,43,215.59	(81,311.52)	(9,863.00)	(71,448.52)	-	90.45
3	Reliance WiMax Limited	1st January 2006	68.71	332.37	519.02	117.94	-	-	(6.91)	-	(6.91)	-	100.00
4	Globalcom IDC Limited (Formerly Reliance IDC Limited)	1st January 2006	210.00	1,533.77	37,012.97	35,269.02	-	32,073.58	305.70	964.86	(659.16)	-	100.00
5	Reliance Bhutan Limited	1st January 2006	5.00	(4.81)	20,005.47	20,005.28	-	0.34	(0.00)	0.18	(0.18)	-	90.45
6	Campion Properties Limited	1st January 2006	356.36	(5,656.53)	10,166.54	15,466.71	-	277.64	(1,380.82)	-	(1,380.82)	-	100.00
7	Reliance Webstore Limited	1st January 2006	5.00	(61,049.22)	40,710.26	1,01,754.48	-	12,097.61	(50,508.25)	2,665.21	(53,173.46)	-	100.00
8	Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited)	1st January 2006	500.00	(25,810.17)	2,12,208.23	2,37,518.40	-	13,647.58	(56,754.51)	(1,246.92)	(55,507.59)	-	100.00
9	Reliance Telecom Limited	1st January 2006	8,500.00	(6,53,040.00)	3,85,252.00	10,29,792.00	-	67,986.00	(4,43,193.00)	2,931.00	(4,46,124.00)	-	100.00
10	Independent TV Limited (Formerly Reliance Big TV Limited)	25th October 2007	1,000.00	(71,288.00)	13,19,600.00	13,89,888.00	0.34	21,030.27	(9,047.22)	2,891.15	(11,938.37)		100.00
11	Reliance Tech Services Limited	30th July 2007	5.00	(1,055.00)	26,347.45	27,397.45	0.23	7,952.00	(867.96)	-	(867.96)	-	100.00
12	Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)	6th December, 2010	200.00	(184.57)	40.89	25.46	-	-	(0.38)	2.01	(2.39)	-	100.00
13	Reliance Globalcom Limited	17th March, 2008	5.00	231.90	8,754.88	8,517.98	-	8,201.06	46.26	22.19	24.07	-	100.00
14	Reliance Communications Tamilnadu Limited	15th November, 2013	5.00	(168.22)	2,604.41	2,767.63	-	0.06	(1.30)	-	(1.30)	-	100.00
15	Reliance BPO Private Limited	30th April, 2012	1.00	(759.38)	103.57	861.95	-	-	(672.69)	(1.10)	(671.59)	-	100.00
16	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	11th November 2014	5.00	(1.00)	4.57	0.57	-	-	(0.05)	-	(0.05)	-	100.00
17	Reliance Infra Projects Limited	31th October 2014	5.00	(1.00)	4.57	0.57	-	0.10	(0.05)	-	(0.05)	-	100.00
18	Internet Exchangenext.com Ltd.	10th November 2015	15.07	(9.08)	65.10	59.11	-	0.06	(0.09)	-	(0.09)	-	100.00
19	Realsoft Cyber Systems Private Limited	10th November 2015	1.00	(89.20)	4.70	92.90	-	0.56	0.32	-	0.32	-	100.00
20	Worldtel Tamilnadu Private Limited	10th November 2015	1.00	(10,127.74)	5.70	10,132.45	-	0.00	(9,929.25)	6.07	(9,935.32)	-	100.00
21	Towercom Infrastructure Private Limited	17th November, 2016	1.00	(4.39)	13.00	16.40		0.38	(2.01)		(2.01)	-	100.00
22	Gateway Net Trading Pte. Limited	1st Oct, 2008	17,011.33	(35,830.69)	7,385.64	26,205.00	-	-	(7,308.08)	-	(7,308.08)	-	100.00
	Unit of Currency - USD		2,61,01,000	(5,49,76,128)	1,13,32,008	4,02,07,136	-	-	(1,13,39,807)	-	(1,13,39,807)	-	
23	Reliance Globalcom BV	1st January 2006	1,376.03	19,817.14	3,42,193.61	3,21,00,0.44	839.20	17.59	(563.14)	-	(563.14)	-	100.00
	Unit of Currency - USD		21,11,282	3,04,06,049	52,50,38,138	49,25,20,807	12,87,613	27,302	(8,73,811)	-	(8,73,811)	-	
24	Reliance Infocom Inc.	1st January 2006	586.58	(1,870.72)	3,884.55	5,168.70	-	-	(124.03)	(5.36)	(118.67)	-	100.00
	Unit of Currency - USD		9,00,000	(28,70,304)	59,60,190	79,30,494	-	-	(1,92,457)	(8,316)	(1,84,141)	-	
25	Reliance Communications Inc.	1st January 2006	3,258.75	10,551.15	1,54,174.88	1,40,364.99	-	46,772.57	(4,108.78)	(24.89)	(4,083.89)	-	100.00
	Unit of Currency - USD		50,00,000	1,61,88,946	23,65,55,245	21,53,66,300	-	7,25,76,100	(63,75,522)	(38,623)	(63,36,898)	-	
26	Reliance Communications International Inc.	1st January 2006	6.52	4,920.66	10,266.37	5,339.19	-	6,444.03	158.58	(39.21)	197.79	-	100.00
	Unit of Currency - USD		10,000	75,49,914	1,57,52,000	81,92,086	-	99,99,086	2,46,058	(60,845)	3,06,903	-	
27	Reliance Communications Canada Inc.	1st January 2006	6.52	(36.54)	250.35	280.37	-	194.44	7.63	0.56	7.08	-	100.00
	Unit of Currency - USD		10,000	(56,064)	3,84,121	4,30,185	-	3,01,712	11,847	866	10,981	-	
28	Bonn Investment Inc.	1st January 2006	6.52	(765.04)	4,186.00	4,944.52	-	96.67	(92.14)	(3.88)	(88.27)	-	100.00
	Unit of Currency - USD		10,000	(11,73,825)	64,22,709	75,86,534	-	1,50,000	(1,42,979)	(6,016)	(1,36,963)	-	
29	Reliance Communications (U.K.) Limited	1st January 2006	14.34	13,478.03	31,970.61	18,478.24	-	8,000.43	1,744.19	-	1,744.19	-	100.00
	Unit of Currency - GBP		15.538	1,46,05,976	3,46,46,162	2,00,24,648	-	93,55,053	20,39,508	-	20,39,508	-	
30	Reliance Communications (Hong Kong) Limited	1st January 2006	0.00	(888.51)	7,505.70	8,394.20	-	14,615.03	(2,583.02)	-	(2,583.02)	-	100.00
	Unit of Currency - USD		0.87	(13,63,262)	1,15,16,225	1,28,79,486	-	2,26,77,856	(40,08,018)	-	(40,08,018)	-	
31	Reliance Communications (Australia) Pty. Limited	29th August 2006	0.00	242.49	278.27	35.78	-	7.41	(17.52)	-	(17.52)	-	100.00
	Unit of Currency - AUD		1	4,87,222	5,59,123	71,900	-	14,792	(34,991)	-	(34,991)	-	
32	Reliance Communications (New Zealand) Pte. Limited	17th August 2006	0.00	(90.87)	16.25	107.12	-	0.27	(1.70)	-	(1.70)	-	100.00
	Unit of Currency - NZD		2	(1,93,796)	34,657	2,28,452	-	589	(3,670)	-	(3,670)	-	
33	Reliance Communications (Singapore) Pte. Limited	22th August 2006	47.22	1,63,239.91	1,63,909.26	622.13	-	3.48	(17.48)	-	(17.48)	-	100.00
	Unit of Currency - USD		72,450	25,04,63,999	25,14,91,000	9,54,551	-	5,400	(27,121)	-	(27,121)	-	
34	Anupam Globalsoft (U) Limited	5th March, 2008	535.74	(331.56)	1,861.67	1,657.49	-	-	-	-	-	-	90.00
	Unit of Currency - U.shs		3,00,00,00,000	(1,85,66,51,920)	10,42,48,85,846	9,28,15,37,766	-	-	-	-	-	-	

Statement containing salient features of the financial statement of subsidiaries/ associate companies /joint ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

(Rs. In lakh unless otherwise stated)

Sl. No.	Name of the Subsidiary	Date from which they became subsidiary companies	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment	Turnover *	Profit / (Loss) before Taxation*	Provision for Taxation*	Profit / (Loss) after Taxation*	Proposed Dividend	% of Shareholding
35	Reliance Globalcom Limited, Bermuda	1st January 2006	2,05,988.95	4,11,793.01	11,68,326.17	5,50,544.21	-	1,12,005.90	10,853.17	(569.35)	11,422.52	-	100.00
	Unit of Currency - USD		31,60,55,153	63,18,26,637	1,79,25,98,647	84,47,16,857	-	17,37,98,058	1,68,40,723	(8,83,450)	1,77,24,173	-	
36	FLAG Telecom Asia Limited	1st January 2006	6.56	12,272.14	41,447.65	29,168.95	-	11,370.99	660.31	454.88	205.43	-	100.00
	Unit of Currency - USD		10,064	1,88,29,526	6,35,94,404	4,47,54,815	-	1,76,44,216	10,24,593	7,05,826	3,18,767	-	
37	FLAG Telecom Japan Limited	1st January 2006	59.57	(49,618.90)	14,572.59	64,131.92	-	4,119.84	246.61	80.78	165.83	-	100.00
	Unit of Currency - USD		91,405	(7,61,31,798)	2,23,59,173	9,83,99,566	-	63,92,697	3,82,667	1,25,352	2,57,315	-	
38	FLAG Telecom Singapore Pte. Limited	1st January 2006	18.58	(9,322.64)	4,553.11	13,857.17	-	2,121.13	103.29	-	103.29	-	100.00
	Unit of Currency - USD		28,505	(1,43,04,016)	69,85,970	2,12,61,482	-	32,91,330	1,60,281	-	1,60,281	-	
39	Seoul Telenet Inc.	1st January 2006	1,476.55	(10,909.59)	5,006.04	14,439.07	-	2,943.02	89.38	-	89.38	-	49.00
	Unit of Currency - USD		22,65,519	(1,67,38,920)	76,80,914	2,21,54,315	-	45,66,651	1,38,685	-	1,38,685	-	
40	FLAG Holdings (Taiwan) Limited	1st January 2006	3,507.71	(419.05)	6,638.17	3,549.51	-	15.39	0.63	18.85	(18.22)	-	50.00
	Unit of Currency - USD		53,81,988	(6,42,963)	1,01,85,144	54,46,119	-	23,874	971	29,244	(28,273)	-	
41	FLAG Telecom (Taiwan) Limited	1st January 2006	8,168.22	1,169.76	23,550.43	14,212.45	-	2,174.30	(346.36)	546.50	(892.86)	-	60.00
	Unit of Currency - USD		1,25,32,745	17,94,799	3,61,34,141	2,18,06,596	-	33,73,835	(5,37,442)	8,48,000	(13,85,442)	-	
42	Reliance Globalcom (UK) Limited	1st January 2006	0.00	7,821.61	11,243.91	3,422.31	-	4,974.36	377.06	-	377.06	-	100.00
	Unit of Currency - USD		3	1,20,00,930	1,72,51,883	52,50,950	-	77,18,913	5,85,075	-	5,85,075	-	
43	FLAG Telecom Deutschland GmbH	1st January 2006	14.88	(142.60)	52.33	180.04	-	19.63	2.89	(0.58)	3.46	-	100.00
	Unit of Currency - USD		22,835	(2,18,794)	80,286	2,76,244	-	30,457	4,480	(894)	5,374	-	
44	FLAG Telecom Network Services DAC	1st January,2006	0.01	(608.11)	0.01	608.11	-	4.28	(0.92)	-	(0.92)	-	100.00
	Unit of Currency - USD		18	(9,33,049)	18	9,33,049	-	6,643	(1,420)	-	(1,420)	-	
45	Reliance FLAG Telecom Ireland DAC	1st January,2006	0.01	1,338.80	1,67,704.47	1,66,365.66	-	69,488.08	3,819.10	-	3,819.10	-	100.00
	Unit of Currency - USD		18	20,54,156	25,73,14,108	25,52,59,934	-	10,78,23,728	59,26,054	-	59,26,054	-	
46	FLAG Telecom Ireland Network DAC	1st January,2006	0.01	(2,535.73)	22,547.91	25,083.63	-	7,933.72	5.92	-	5.92	-	100.00
	Unit of Currency - USD		18	(38,90,645)	3,45,95,956	3,84,86,583	-	1,23,10,651	9,187	-	9,187	-	
47	FLAG Atlantic UK Limited	1st January,2006	0.00	(74,455.90)	17,211.87	91,667.77	-	3,563.27	246.56	-	246.56	-	100.00
	Unit of Currency - USD		2	(11,42,39,971)	2,64,08,703	14,06,48,671	-	55,29,081	3,82,582	-	3,82,582	-	
48	Reliance FLAG Atlantic France SAS	1st January,2006	24.17	(1,08,356.16)	93,170.46	2,01,502.46	-	22,853.66	1,084.08	(256.23)	1,340.31	-	100.00
	Unit of Currency - USD		37,080	(16,62,54,184)	14,29,54,299	30,91,71,404	-	3,54,61,727	16,82,150	(3,97,586)	20,79,735	-	
49	FLAG Telecom Nederland BV	1st January,2006	9.96	(237.54)	74.98	302.56	-	19.85	(6.05)	-	(6.05)	-	100.00
	Unit of Currency - USD		15,282	(3,64,471)	1,15,043	4,64,232	-	30,794	(9,382)	-	(9,382)	-	
50	FLAG Telecom Hellas AE	1st January,2006	33.24	(224.15)	50.18	241.10	-	6.12	(7.47)	0.70	(8.18)	-	100.00
	Unit of Currency - USD		50,996	(3,43,927)	76,995	3,69,927	-	9,492	(11,598)	1,093	(12,691)	-	
51	FLAG Telecom Espana Network SAU	1st January,2006	34.80	(6,652.84)	365.63	6,983.67	-	198.92	(93.84)	-	(93.84)	-	100.00
	Unit of Currency - USD		53,389	(1,02,07,656)	5,60,992	1,07,15,259	-	3,08,660	(1,45,606)	-	(1,45,606)	-	
52	FLAG Telecom Development Services Company LLC	1st January,2006	8.60	(168.77)	340.84	501.00	-	134.22	5.41	0.01	5.40	-	100.00
	Unit of Currency - USD		13,201	(2,58,947)	5,22,955	7,68,701	-	2,08,266	8,397	13	8,384	-	
53	Reliance FLAG Pacific Holdings Limited	1st January,2006	7.82	(43,993.55)	441.78	44,427.50	-	-	(0.16)	-	(0.16)	-	100.00
	Unit of Currency - USD		12,000	(6,75,00,645)	6,77,832	6,81,66,477	-	-	(245)	-	(245)	-	
54	FLAG Telecom Network USA Limited	1st January,2006	0.00	(38,380.44)	17,270.44	55,650.88	-	15,394.28	879.78	-	879.78	-	100.00
	Unit of Currency - USD		1	(5,88,88,291)	2,64,98,562	8,53,86,851	-	2,38,87,100	13,65,150	-	13,65,150	-	
55	FLAG Telecom Group Services Limited	1st January,2006	0.00	65,178.84	69,340.66	4,161.83	-	-	(190.00)	-	(190.00)	-	100.00
	Unit of Currency - USD		1	10,00,05,884	10,63,91,505	63,85,619	-	-	(2,94,820)	-	(2,94,820)	-	
56	FLAG Telecom Development Limited	1st January,2006	7.82	436.94	444.76	-	-	-	-	-	-	-	100.00
	Unit of Currency - USD		12,000	6,70,414	6,82,414	-	-	-	-	-	-	-	
57	Yipes Holdings Inc.	17th December,2007	0.00	(13.17)	-	13.17	-	-	(5.16)	-	(5.16)	-	100.00
	Unit of Currency - USD		1	(20,201)	-	20,200		-	(8,000)	-	(8,000)	-	
58	Reliance Globalcom Services Inc.	17th December,2007	0.00	4,746.34	6,845.72	2,099.38	0.00	6,246.53	3,779.72	-	3,779.72	-	100.00
	Unit of Currency - USD		1	72,82,454	1,05,03,599	32,21,144	1	96,92,659	58,64,948	-	58,64,948	-	
59	YTV Inc.	17th December,2007	0.00	-	0.00	-	-	-	-	-	-	-	100.00
	Unit of Currency - USD		1	-	1	-	-	-	-	-	-	-	

Statement containing salient features of the financial statement of subsidiaries/ associate companies /joint ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

(Rs. In lakh unless otherwise stated)

Sl. No.	Name of the Subsidiary	Date from which they became subsidiary companies	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment	Turnover *	Profit / (Loss) before Taxation*	Provision for Taxation*	Profit / (Loss) after Taxation*	Proposed Dividend	% of Shareholding
60	Reliance Vanco Group Limited	25th May, 2008	101.57	51,781.31	1,19,491.51	67,608.62	447.94	7,589.52	7,463.27	-	7,463.27	-	100.00
	Unit of Currency - GBP		1,10,072	5,61,14,773	12,94,91,485	7,32,66,640	4,85,432	88,74,575	87,26,944	-	87,26,944	-	
61	Vanco UK Limited	25th May, 2008	34.00	(38,244.25)	7,100.37	45,310.76	109.24	31,759.94	1,414.52	-	1,414.52	-	100.00
	Unit of Currency - GBP		36,690	(4,14,44,829)	76,94,581	4,91,02,720	1,18,379	3,71,37,533	16,54,023	-	16,54,023	-	
62	Vanco (Asia Pacific) Pte. Limited	25th May, 2008	1,003.62	(1,048.85)	2,321.08	2,366.31	-	6,322.64	(422.31)	-	(422.31)	-	100.00
	Unit of Currency - GBP		10,87,607	(11,36,628)	25,15,322	25,64,343	-	73,93,194	(4,93,816)	-	(4,93,816)	-	
63	Vanco Sweden AB	25th May, 2008	39.36	60.91	348.37	248.09	-	594.49	2.18	11.06	(8.88)	-	100.00
	Unit of Currency - GBP		42,657	66,010	3,77,521	2,68,854	-	6,95,144	2,550	12,936	(10,386)	-	
64	Vanco GmbH	25th May, 2008	724.53	(11,863.55)	2,593.46	13,732.48	-	16,658.78	456.54	0.75	455.79	-	100.00
	Unit of Currency - GBP		7,85,163	(1,28,56,382)	28,10,502	1,48,81,721	-	1,94,79,447	5,33,841	875	5,32,966	-	
65	Vanco Deutschland GmbH	25th May, 2008	20.24	(8,467.09)	254.25	8,701.10	-	1,113.55	267.25	-	267.25	-	100.00
	Unit of Currency - GBP		21,936	(91,75,685)	2,75,527	94,29,276	-	13,02,091	3,12,506	-	3,12,506	-	
66	Vanco SRL (Italy)	25th May, 2008	80.16	(3,726.69)	3,981.30	7,627.84	-	10,001.67	(350.22)	-	(350.22)	-	100.00
	Unit of Currency - GBP		86,865	(40,38,573)	43,14,490	82,66,198	-	1,16,95,151	(4,09,517)	-	(4,09,517)	-	
67	Vanco BV (Holland)	25th May, 2008	16.19	(5,903.96)	1,681.99	7,569.75	-	6,291.53	(133.87)	-	(133.87)	-	100.00
	Unit of Currency - GBP		17,548	(63,98,044)	18,22,752	82,03,248	-	73,56,813	(1,56,533)	-	(1,56,533)	-	
68	Euronet Spain SA	25th May, 2008	101.21	1,598.42	2,357.06	657.43	-	2,233.21	49.37	4.10	45.27	-	100.00
	Unit of Currency - GBP		1,09,678	17,32,191	25,54,314	7,12,445	-	26,11,333	57,735	4,797	52,938	-	
69	Vanco SAS (France)	25th May, 2008	242.90	(38,229.12)	3,028.98	41,015.21	-	11,733.93	(100.27)	87.32	(187.59)	-	100.00
	Unit of Currency - GBP		2,63,227	(4,14,28,432)	32,82,472	4,44,47,677	-	1,37,20,713	(1,17,250)	1,02,100	(2,19,350)	-	
70	Vanco Sp Zoo	25th May, 2008	19.22	48.25	248.32	180.85	-	221.76	24.78	6.12	18.67	-	100.00
	Unit of Currency - GBP		20,830	52,283	2,69,098	1,95,985	-	2,59,307	28,979	7,153	21,826		
71	Vanco Australasia Pty Limited	25th May, 2008	1,568.40	(4,008.28)	2,462.17	4,902.05	-	5,328.04	(532.12)	-	(532.12)	-	100.00
	Unit of Currency - GBP		16,99,655	(43,43,724)	26,68,223	53,12,292	-	62,30,176	(6,22,214)	-	(6,22,214)		
72	Vanco NV	25th May, 2008	454.63	(6,075.53)	859.51	6,480.41	-	1,476.67	(31.34)	-	(31.34)	-	100.00
	Unit of Currency - GBP		4,92,674	(65,83,974)	9,31,443	70,22,743	-	17,26,697	(36,641)	-	(36,641)	-	
73	Vanco Japan KK	25th May, 2008	55.75	78.54	228.43	94.15	-	156.05	7.53	5.43	2.10	-	100.00
	Unit of Currency - GBP		60,411	85,115	2,47,551	1,02,025	-	1,82,469	8,805	6,353	2,452	-	
74	Vanco South America Ltda	25th May, 2008	159.29	(3,087.81)	62.49	2,991.00	-	58.06	(502.79)	0.10	(502.88)	462.70	100.00
	Unit of Currency - GBP		1,72,622	(33,46,217)	67,716	32,41,311	-	67,889	(5,87,920)	113	(5,88,033)	5,41,043.00	
75	Net Direct SA (Proprietary) Limited	25th May, 2008	0.01	(287.81)	-	287.80	-	-	-	-	-	-	100.00
	Unit of Currency - GBP		6	(3,15,323)	-	3,15,317	-	-	-	-	-	-	
76	Vanco (Shanghai) Co. Ltd.	25th May, 2008	117.72	(154.12)	15.62	52.03	-	30.58	1.96	0.36	1.60	-	100.00
	Unit of Currency - GBP		1,27,569	(1,67,018)	26,018	65,467	-	35,754	2,288	419	1,869	-	
77	Vanco Solutions Inc.	25th May, 2008	32.90	(1,468.77)	3,758.75	5,194.63	-	7,227.05	(686.33)	-	(686.33)	-	100.00
	Unit of Currency - GBP		35,648	(15,91,688)	41,04,140	56,60,180	-	84,50,733	(8,02,537)	-	(8,02,537)		
78	Vanco US LLC	25th May, 2008	1,381.60	(13,679.70)	6,759.04	19,057.14	-	12,043.88	(1,709.49)	-	(1,709.49)	-	100.00
	Unit of Currency - GBP		14,97,219	(1,48,24,526)	73,24,688	2,06,51,995	-	1,40,83,147	(19,98,942)	-	(19,98,942)		
79	Vanco International Limited	25th May, 2008	93.50	1,144.55	2,389.70	1,151.65	-	3,573.74	525.97	-	525.97	-	100.00
	Unit of Currency - GBP		1,01,325	12,40,338	25,89,690	12,48,027	-	41,78,848	6,15,031	-	6,15,031	-	
80	Vanco Switzerland A.G.	25th May, 2008	68.91	762.92	845.00	13.17	-	42.12	2.41	(3.65)	6.06	-	100.00
	Unit of Currency - GBP		74,677	8,26,770	9,15,720	14,273	-	49,251	2,816	(4,269)	7,085	-	
81	Vanco Global Limited	25th May, 2008	249.27	(894.28)	1,352.38	1,997.40	43.94	4,521.19	(452.07)	-	(452.07)	-	100.00
	Unit of Currency - GBP		2,70,126	(9,69,121)	14,65,558	21,64,553	47,619	52,53,732	(5,28,615)	-	(5,28,615)		
82	Vanco ROW Limited	25th May, 2008	0.00	1,116.56	1,444.88	328.31	-	2,921.14	337.13	-	337.13	-	100.00
	Unit of Currency - GBP		2	12,10,003	15,65,794	3,55,789	-	34,15,752	3,94,207	-	3,94,207	-	
83	VNO Direct Limited	25th May, 2008	479.84	(3,576.38)	0.75	3,097.28	-	-	(3.59)	-	(3.59)	-	100.00
	Unit of Currency - GBP		5,20,000	(38,75,677)	809	33,56,486	-	-	(4,200)	-	(4,200)	-	
84	Lagerwood Investments Limited	15th June,2007	1.48	225.36	247.31	20.47	-	-	(14.11)	-	(14.11)	-	-
	Unit of Currency - USD		2,268	3,45,772	3,79,455	31,415	-	-	(21,894)	-	(21,894)	-	

Statement containing salient features of the financial statement of subsidiaries/ associate companies /joint ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

(Rs. In lakh unless otherwise stated)

Sl. No.	Name of the Subsidiary	Date from which they became subsidiary companies	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment	Turnover *	Profit / (Loss) before Taxation*	Provision for Taxation*	Profit / (Loss) after Taxation*	Proposed Dividend	% of Shareholding
85	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	15th June,2007	1.46	2,768.03	3,184.15	414.66	-	0.44	(32.98)	-	(32.98)	-	-
	Unit of Currency - USD		2,246	42,47,084	48,85,532	6,36,202	-	680	(51,173)	-	(51,173)	-	
86	Global Cloud Xchange Limited	26th March, 2014	1,53,371.63	67,880.79	2,21,299.89	47.48	-	51.02	25.89	-	25.89	-	100.00
	Unit of Currency - USD		23,53,22,790	10,41,51,570	33,95,47,208	72,848	-	79,166	40,176	-	40,176	-	
87	GCX Limited	26th March, 2014	1,53,371.63	32,304.59	4,16,170.23	2,30,494.02	-	56.06	(17,923.44)	-	(17,923.44)	-	100.00
	Unit of Currency - USD		23,53,22,790	4,95,65,916	63,85,42,745	35,36,54,039	-	86,983	(2,78,11,567)	-	(2,78,11,567)	-	
88	Aircom Holdingco B.V	18th July 2016	0.81	(10.43)	0.84	10.46			(3.56)		(3.56)		
	Units of currency - Euro		1,000	(12,910)	1,036	12,946		-	(4,718)	-	(4,718)	-	-

Notes

1 The Financial Year of the Subsidiaries is for 12 months from April 1, 2017 to March 31, 2018

2 Investment exclude investment in Subsidiaries

3 Exchange rate as of March 31, 2018 1 USD = ₹ 65.175 1 GBP = ₹ 92.2775 1 AUD = ₹ 49.77 1 NZD = ₹ 46.89 1 Ushs = ₹ 0.0179 1 Euro = ₹ 80.808

(* converted at average rate)

Name of subsidiaries which are yet to commence operations

1 Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)

2 Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)

3 Reliance Infra Projects Limited

Name of subsidiaries which have been liquidated or sold during the year – Nil

Part "B" : Associates

(₹ in lakh otherwise stated)

Sr. No.	Name of Associates	Date from which they became Assoiated	Latest audited Balance Sheet Date	Shares of Associate held by the company on the year end			Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year		Description of how there is significant infuence	Reason why the associate is not consolidated
				No.	Amount of Investment in Associates	Extend of Holding %		Considered in Consolidation	Not Considered in Consolidation		
1	Mumbai Metro Transport Private Limited	18.01.2010	31.03.2018	13000	-	26%	(2.25)	-	(2.18)	Refer note A below	-
2	Warf Telecom International Private Limited	01.01.2006	31.12.2017	65025000	2,230.00	20%	2,573.41	490.00	1,960.00		-

Name of associates which are yet to commence operations – Nil
Name of associates which have been liquidated or sold during the year – Nil

Notes :

A) There is significate influence due to percentage (%) of share Capital.

B) The Company does not have any joint Venture during the year.

For and on behalf of the Board

Director **Punit Garg**

Director and Chief Financial Officer **Manikantan V.**

Company Secretary **Prakash Shenoy**

Mumbai
May 30, 2018

PLEASE SIGN AND SEND THIS TO KARVY COMPUTERSHARE PRIVATE LIMITED

FORM FOR UPDATION OF RECORDS

Reliance Communications Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710

Dear Sir(s),

Sub.: Updation of Permanent Account Number (PAN) and bank account details

This has reference to circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 issued by the Securities and Exchange Board of India **(SEBI)**, regarding mandatory updation of Permanent Account Number (PAN) and bank account details.

I / we furnish the following information for your reference and record:

Folio Number

A. Bank account details

Mobile no. of the sole / first holder

E-mail ID.

Name of bank

Branch name

Branch address with PIN code

Account Number (as appearing in the cheque leaf)

Account type	**Saving**		**Current**	

Please place a tick mark (✓) in the appropriate box

9 Digit Code No. of Bank / Branch as appearing on MICR cheque issued by the bank

(9 Digit Code Number appearing on the MICR Bank of the Cheque supplied by the bank)

Please attach original cancelled cheque leaf with names of shareholders / bank passbook showing names of shareholders, duly attested by an authorised bank official.

11 Digit Indian Financial System Code (IFSC)

B. Permanent Account Number (PAN) details

(Sole / First Holder)	**(Second Holder)**	**(Third Holder)**

I / We confirm that whatever stated hereinabove is true and correct and that the documents being furnished by me / us are valid and in force and may be used by Karvy Computershare Private Limited to update records of all companies as mentioned in this letter and for all communication and disbursement of any dividend in future.

(Sole / First Holder) **Signature**	**(Second Holder)** **Signature**	**(Third Holder)** **Signature**

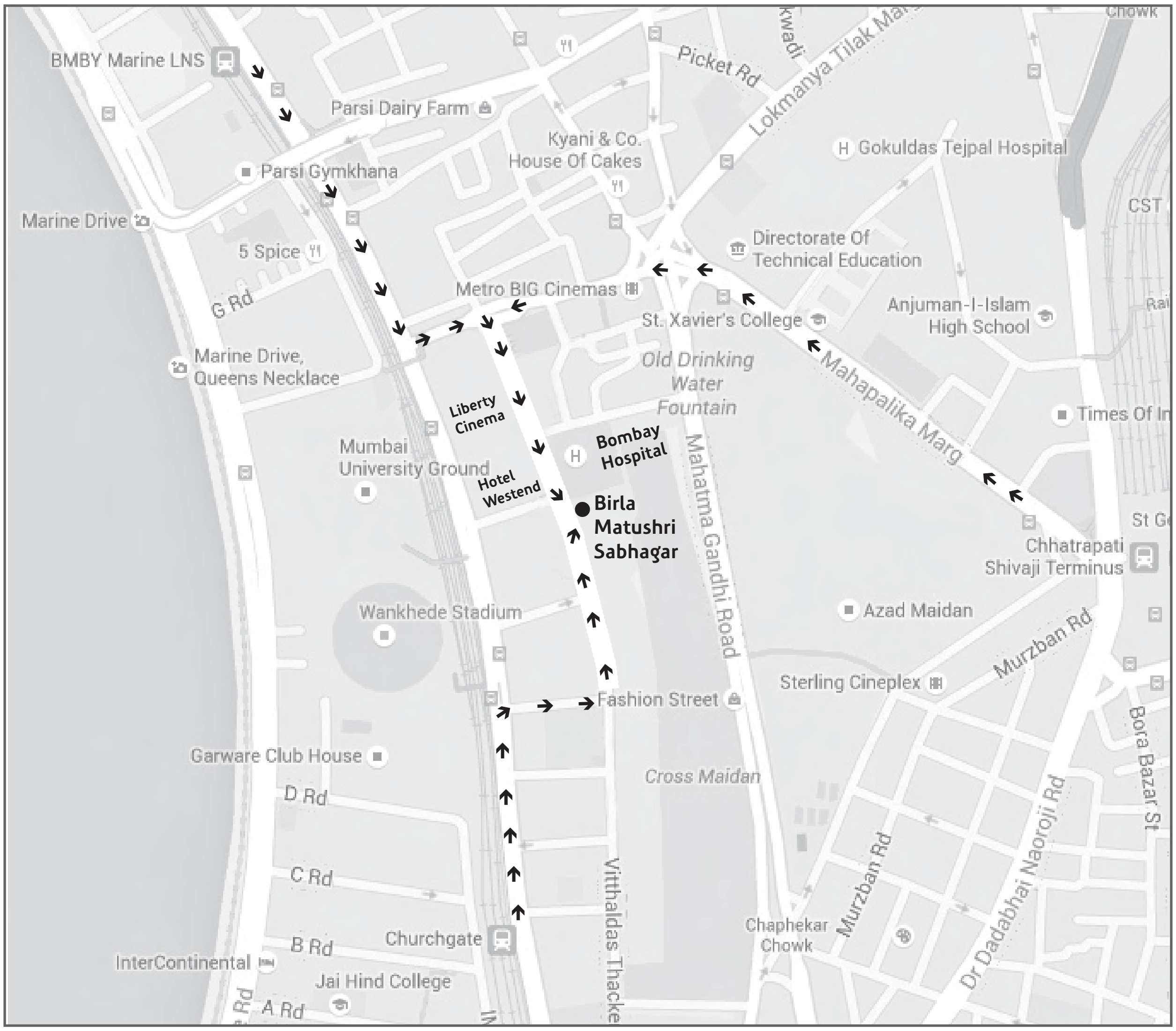
Encl. : as above

Date :

Place :

Route Map to the AGM Venue

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020



Landmark : Next to Bombay Hospital

Distance from Churchgate Station : 1 km

Distance from Chhatrapati Shivaji Terminus : 1.2 km

Distance from Marine Lines Station : 0.8 km

Notes

Reliance Communications Limited

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.
Tel: +91 22 3038 6286, Fax: +91 22 3037 6622,
Website: www.rcom.co.in, E-mail id: rcom.investors@relianceada.com
CIN:L45309MH2004PLC147531

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

ATTENDANCE SLIP

*DP Id.		Name & Address of the registered Shareholder
Regd. Folio No. / *Client Id.		
No. of Share(s) held		

(*Applicable for Members holding Shares in electronic form)

I hereby record my presence at the **14th ANNUAL GENERAL MEETING** of the Members of Reliance Communications Limited held on Tuesday, September 18, 2018 at 9.30 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020,

Member's / Proxy's Signature

.... TEAR HERE ....

PROXY FORM

Reliance Communications Limited

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.
Tel: +91 22 3038 6286, Fax: +91 22 3037 6622
Website: www.rcom.co.in, E-mail id: rcom.investors@relianceada.com
CIN:L45309MH2004PLC147531

FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-mail Id:	
*DP Id.	
Regd. Folio No. / *Client Id.	

(*Applicable for Members holding Shares in electronic form)

I/ We, being the member(s) of ______ shares of the above named company, hereby appoint:

(1) Name: ______ Address: ______
E-mail id: ______ Signature ______ or failing him;

(2) Name: ______ Address: ______
E-mail id: ______ Signature ______ or failing him;

(3) Name: ______ Address: ______
E-mailid: ______ Signature ______

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 14th Annual General Meeting of the Company, to be held on Tuesday, September 18, 2018 at 9.30 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Matter of Resolution	For	Against
1.	To consider and adopt: a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon. b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Auditors thereon.		
2.	To revise the borrowing limits of the Company		
3.	Ratification of remuneration payable to Cost Auditor for the financial year ending March 31, 2019		
4.	Appointment of Shri Punit Garg as an Executive Director		
5.	Appointment of Shri Manikantan V. as a Director and Chief Financial Officer		
6.	Appointment of Smt. Chhaya Virani as an Independent Director		
7.	Appointment of Smt. Ryna Karani as an Independent Director		
8.	Appointment of Shri Suresh Rangachar as a Director		
9.	Appointment of Smt. Manjari Kacker as an Independent Director		
10.	Alterations to the Articles of Association of the Company		
11.	Private Placement of Non-Convertible Debentures and/ or other Debt Securities		

Signed this .... day of .... 2018.

Affix Revenue Stamp

Signature of Shareholder(s) : ______

Signature of Proxy holder(s) : ______

Note:
This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered please return to :
Karvy Computershare Private Limited
(Unit: Reliance Communications Limited)
Karvy Selenium Tower – B, Plot No. 31 & 32
Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda
Hyderabad 500 032
Tel. no.: +91 40 6716 1500 Fax no.: +91 40 6716 1791
Email: rcom@karvy.com, Website: www.karvy.com