



Reliance Communications Limited

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January 25, 2016

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BSE Scrip Code: 532712

NSE Symbol: RCOM

Dear Sir,

Sub: Quarterly Report on the Financial Results of the Company for the Quarter ended December 31, 2015.

Further to our letter dated January 22, 2016, we enclose herewith a quarterly report on the Financial Results of the Company for the quarter ended December 31, 2015.

Kindly inform your members accordingly.

Yours faithfully
For **Reliance Communications Limited**

Prakash Shenoy
Company Secretary

Encl: As above.

Quarterly Report on the Financial Results for the Quarter ended December 31, 2015



Reliance Communications Limited
Registered office: H Block, 1st Floor,
Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710
Corporate Identity Number (CIN) of the Company: L45309MH2004PLC147531
January 22, 2016



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Supplemental Disclosures

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

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and the actual results could be material depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be read and understood along with this supplemental disclosure.

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

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

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

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

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

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

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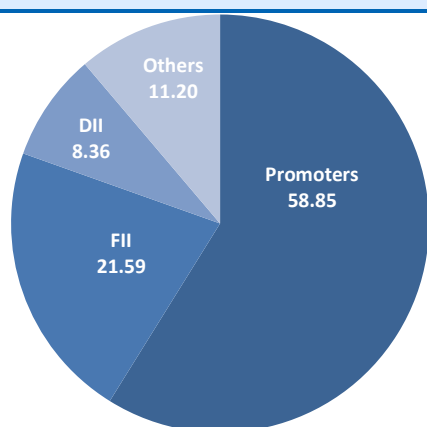
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1. Performance Snapshot & Shareholding Pattern

Particulars	Units	12 months period ended					Quarter ended		
		March-2011	March-2012	March-2013	March-2014	March-2015	Jun 30, 2015 (Q1 FY16)	Sep 30, 2015 (Q2 FY16)	Dec 31, 2015 (Q3 FY16)
Consolidated financials									
Revenue	Rs. mn	231,076	203,823	217,780	223,213	220,980	55,413	53,553	52,983
EBITDA	Rs. mn	90,816	64,899	71,591	77,258	75,181	18,752	17,819	18,033
Cash profit from operations	Rs. mn	79,976	49,665	45,896	57,275	44,369	11,621	10,858	10,876
Profit before income taxes	Rs. mn	15,176	8,821	8,148	1,167	9,456	1,979	1,465	2,323
Net Profit	Rs. mn	13,457	9,285	6,716	10,477	7,135	1,766	1,559	1,708
Total Fixed Assets	Rs. mn	729,408	714,778	692,520	664,429	623,020	620,157	668,850	667,862
Shareholders' Equity	Rs. mn	357,518	317,123	287,247	271,087	325,128	323,287	320,897	319,413
Net Debt	Rs. mn	320,485	358,393	388,644	401,776	367,257	385,957	398,949	404,791
Key Ratios									
EBITDA Margin	%	39.3%	31.8%	32.9%	34.6%	34.0%	33.8%	33.3%	34.0%
Net Profit Margin	%	5.8%	4.6%	3.1%	4.7%	3.2%	3.2%	2.9%	3.2%
Net Debt to funded equity ratio	Times	0.90	1.13	1.35	1.48	1.13	1.19	1.24	1.27

Shareholding Pattern:

In %, as on December 31, 2015



Top Public Shareholders as on Dec 31, 2015

Shareholder name	Holding (%)
Life Insurance Corporation of India	6.62
EuroPacific Growth Fund	3.51
New World Fund Inc	2.12
CLSA Global Markets Pte Ltd	1.70
Smallcap World Fund INC	1.28
Ontario Teachers' Pension Plan Board	1.00

2. Overview

2.1. Introduction

Reliance Communications Limited ("Reliance Communications" or "the Company") is India's foremost integrated communications service provider in the private sector with about 110 million individual, enterprise, and carrier customers.

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

2.2. Strategic Business Units

From the second quarter of FY14 (2QFY14), the functions of business operations of Reliance Communications have been re-organized into two strategic customer-facing geographical business units, India Operations and Global Operations, with intent to provide financial reporting system for better performance evaluation and decision making. This does not change the consolidated financial of the Company including consolidated revenue and EBITDA. Only the segmental reporting has been re-stated.

2.2.1. India Operations

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

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

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

Mobility/Wireless services:

The voice and non-voice business is driven by CDMA and GSM based wireless services to consumers on a nationwide basis.

The spectrum auction of March 2015 has strengthened RCom's spectrum portfolio in the 800/850MHz band. RCom's holding has increased to 5MHz or more in 21 circles from 12 circles earlier. This places RCom in an unparalleled position in the Indian telecommunication space, as this band is recognized as one of the most powerful spectrum bands in the sub-1 GHz spectrum category. Globally many of the operators have launched LTE services on this band. We believe this gives us the unique capability to launch LTE services in an efficient manner. We clearly see future of business, from a long term perspective, not in 2G, or 3G but in 4G LTE.

As on date, we have rolled-out 3G services in all the 13 circles where we own 3G spectrum, covering 524 cities. We have also launched 3G services in five circles, Andhra Pradesh,

Karnataka, Kerala, Tamil Nadu and Uttar Pradesh (East), through ICR arrangements, thus increasing our 3G coverage to 18 circles. On our CDMA technology we have upgraded many RevA networks to RevB networks in Metros and many cities in category 'A' circles. Rev B provides speeds of 14.7 Mbps on the 800MHz band which provides better in-house propagation than 3G on 2100MHz. Including on CDMA platform, we provide wireless broadband services on our own network in 1,624 cities and towns and offer internet connectivity in over 19,000 towns across India.

We not only provide telecom connectivity to the mass market consumer segment but also, as an Integrated Telecom Service Provider, we offer total telecom solutions to our Corporate, SME & SoHo customers. Our portfolio of products includes mobile handsets, fixed wireless phones/terminals, tablets, high-speed internet data cards and Blackberry services. Our primary brands are Reliance Mobile for the mobile portfolio of services, Reliance Hello for the fixed wireless portfolio of services, Reliance Pro and Reliance Pro3 for CDMA wireless data services and Reliance 3G for 3G Services. We offer a unique wireless multimedia experience under the brand Reliance Mobile World.

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

We are among the top providers of wireless communication services in the country, with a wireless subscriber base of about 110 million as of December 31, 2015.

Enterprise services:

The Company—through the 'collaborative innovation' route—partners with leading global technology providers to continually expand its diverse service portfolio for the Enterprise and SME segments. Broadly, this portfolio consists of national & international private leased circuits, network connectivity, managed network services, comprehensive voice solutions, Enterprise mobility solutions, collaboration solutions, data center colocation, managed services and cloud offerings. The accent is on integrated, end-to-end solutions that help strengthen RCom's role as an 'ICT Partner of Choice' for the Large Enterprise segment. The Company has a long-standing experience of serving SMEs and combines innovation, deep knowledge of this segment with Reliance's countrywide network infrastructure to continually expand its solution portfolio for SMEs that address their ICT needs in a cost-efficient manner, largely through a pay-per-use model. Our enterprise clientele includes over 39,000 Indian and multinational corporations including SMEs and over 900 prominent enterprises in India.

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

Internet Data Center:

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

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

Our Direct-To-Home (DTH) digital TV Business, branded as Reliance Big TV, offers a full combo of Standard Definition, High Definition & High Definition-DVR STBs, along with largest channel bouquet. We also introduced a new technology advancement which made us the 1st operator to offer all 278 channels in HD like quality. Reliance offers nationwide Direct-To-Home satellite TV services, employing state-of-the-art MPEG4 technology.

Reliance Digital TV is available at over 35,750 outlets across nearly 5,650 cities in the country. The retail and distribution reach, as well as other elements of infrastructure established for our wireless network, have been leveraged to expand our DTH presence. Reliance Digital TV currently has about 5.0 million subscribers, with 6% share of the DTH market in India. We launched India's first High definition cum Advanced Digital Video recorder (HD DVR), offering 200 hrs of recording, trick play functions & universal remote for operating three devices.

Our Set Top Box (STB) Failure Rate is 0.92%, which is amongst the best internationally & by far the best in India.

2.2.2. Global Operations

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

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

As part of our Consumer voice offering we offer virtual international calling services to retail customers for calls to 230 international destinations including India under the brand Reliance Global Call. Our retail services are available to customers in 14 countries in Australia, Austria, Belgium, Canada, France, Hong Kong, India, Ireland, Netherlands, New Zealand, Singapore, Spain, United Kingdom and United States. We have over 2.6 million customers for our Reliance Global Call service. We have more than 550 enterprise customers of Reliance Global Call across 11 countries including the United States, United Kingdom, Canada, Australia, New Zealand, Singapore, Spain, Belgium, France, the Netherlands and India. We also offer SIP Trunk calling along with Blackberry and Windows App.

Our International Data business is underpinned by our ownership of one of the largest private submarine cable system in the world, spanning 68,698 kilometres and connecting North America, Europe, the Middle East and Asia through 46 landing points in 27 countries. The network seamlessly interconnects with our 190,000 kilometres fibre optic cables within India. We have 650 enterprise customers spread over developed markets such as the United States, the United Kingdom, the Netherlands and Singapore.

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

We have a very strong and rapidly growing enterprise business segment outside India. We are one of the leading Managed Ethernet services providers in the U.S. and have an established position in the global enterprise data market.

Key Company Developments

A. Launch of 'New Way to Facebook', Just tap and enjoy free Facebook every day!

Facebook 'Tap' is a unique service launched by Reliance in partnership with Face Book. The service enables customers to enjoy Facebook without data pack or data charge. A digital switch on customer's Facebook page enables customers to toggle between 'Go to Free' and 'View Photos' mode. In 'Go to Free' mode customer can do text messages & posts without any data pack or charge. To view photos, customer needs to tap on the 'View Photos' mode for which charges would be as per the normal data plan. Customer behaviour analysis indicates that Facebook users have much high stickiness and ARPU than other customers.



B. Celebrating the Festivals of India: "Khushiyan Iss Tyohar"

In the festival period beginning October 2015 RCOM introduced "Khushiyan Iss Tyohar" a Pan-India contest, which offered Reliance GSM customers to participate and get a chance to win daily recharges, including mega bumper prizes of iPhone 6. To participate, the customer had to subscribe to any of the VAS content such as full movies, music or festive alerts which were designed in context to various festivals of India



such as Diwali, Chaath, X'Mas, New year, etc. at special prices. Customers could avail these contents through R World, IVR or SMS modes. This has helped develop customer engagement around content-based services.

F. Strong focus on retention of existing high value CDMA customers

With a revived focus to retain high value subscribers in CDMA, the attractive plan discounts currently available only for new acquisitions from other operators through MNP was extended to existing customers as well to retain them onto the network. Customers can avail any of the 3 unlimited plans (Unlimited Local Calls and 1GB data – INR 599, Unlimited Local & STD Voice and 1.5GB Data – INR 899, and Unlimited Local & STD Voice, Unlimited data, Unlimited SMS & Unlimited roaming – INR 1299) at 50% discount on the actual price of the plan.

G. Won the Judges Award at the Global Carrier Awards

Global Cloud Xchange won the Judges Award at the Global Carrier Awards, held on 3 November 2015, alongside the Capacity Europe in Paris, France. The award recognizes GCX for our strong presence and reputation in the emerging markets and for delivering one of the most advanced IP backbones on the market.

H. Cloud X Fusion

Cloud X Fusion is now deployed in India to bridge the gap between public cloud services and enterprise networks, enabling direct connectivity between RCOM / Global Cloud Xchange's (GCX) global MPLS network and the world's leading cloud platforms.

I. GCX partners with Broadcast Media Communications (BMC UK)

GCX announced a partnership with BMC UK, following the successful broadcast of Spain vs England match on November 13 from Rico Perez Stadium in Alicante, Spain to ITV London studios. GCX's robust and expansive global network enabled the delivery of multiple live video feeds for ITV's coverage of the international football match to millions of fans in England while optimizing cost and network efficiencies.

J. Upgrades across our global network

GCX completed significant upgrades across our global network resulting over 35% growth in IP traffic. In addition to adding more than 1 Tbps of subsea network capacity, 110G technology is now available across all Global Cloud Xchange's cable landing stations and service PoPs.

K. Enhancing global coverage through Cloud X and Cloud X Fusion

GCX further extended Cloud X and Cloud X Fusion to domestic India and to Amazon web services in Singapore, enhancing the global coverage which extends across Asia Pacific, Europe and North America.

2.3. Network and Operating Facilities

We have India's widest network coverage covering over 21,000 cities and towns and over 400,000 villages.

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

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

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

Our consumer and SME offerings are supported by one of the most extensive and powerful distribution networks in India. The backbone of our retail presence is combination of exclusively franchised Reliance Mobile Store along with strong independent 3rd party retailer network. We have recently adopted an initiative to launch full-serviced franchise owned and operated retail outlets offering a full suite of services, including innovative self-care options, to our customers. We have nearly 1,600 franchised Reliance Mobile exclusive stores spread across over 450 cities and towns, offering customer activation and after-sales services. We also intend to increase these retail outlets to other cities. Our third-party retailer presence includes nearly six lakh outlets.

2.4. Key Corporate Developments

- **Reliance Jio and RCOM enters strategic partnership for spectrum sharing and trading:** Reliance Jio Infocomm Ltd ("RJIL") and RCOM signed agreements for change in spectrum allotment in 800 MHz band across 9 Circles from RCOM to RJIL, and for sharing of spectrum in 800 MHz band across 17 Circles. As part of the enhanced strategic collaboration, both companies also intend to enter into reciprocal intra circle roaming ("ICR") arrangements. Access to enhanced spectrum footprint in the 800 MHz band will complement RJIL's best-in-class LTE services rollout, providing increased network coverage and superior service quality. RCOM's customers will benefit from access to Reliance Jio's world class nationwide 4G LTE network under the reciprocal sharing and ICR agreements.
- **Payment of Liberalisation Fee to DoT:** RCOM has paid an amount of Rs. 5,383.84 crore as liberalisation fee to DoT in relation to spectrum in the 800 / 850 MHz band held by it in 16 telecom circles.
- **RCOM entered into exclusive discussions for potential combination of its wireless business with Aircel:** RCOM entered into a 90-day exclusivity period with Maxis Communications Berhad (MCB) and Sindya Securities and Investments Private Limited, the shareholders of Aircel Limited ("Aircel"), to consider the potential combination of the Indian wireless business of RCOM and Aircel to mutually derive the expected substantial benefits of in-country consolidation, including opex and capex synergies and revenue enhancement. The potential combination will exclude RCOM's towers and optical fibre infrastructure, for which RCOM is proceeding with an asset sale announced earlier.
- **RCOM has signed non-binding term sheet with Tillman Global and TPG for sale of its tower business and related infrastructure:** RCOM signed a non-binding term sheet with Tillman Global Holdings, LLC and TPG Asia, Inc. ("TPG") in relation to the proposed acquisition of RCOM's nationwide tower assets and related infrastructure by Tillman and TPG. RCOM will continue as an anchor tenant on the tower assets, under a long term MSA, for its integrated telecommunications business. RCOM intends to utilize the proceeds of the proposed transaction to reduce its debt. Tillman and TPG will also evaluate purchase of RCOM's extensive nationwide inter-city and intra-city optic fibre assets, in a separate and independent transaction.
- **RCOM sold nearly 150 residential flats in Navi Mumbai:** RCOM announced the sale of nearly 150 residential flats situated at Sea Woods complex in Navi Mumbai. The sale consideration for the disposal of the flats at Navi Mumbai has been finalised at over Rs. 330 crore. RCOM has already received more than 50% of the sale proceeds, and the balance amount will be realised during the current financial year, upon completion of documentation, etc. presently underway. RCOM also expects to finalise and announce plans very shortly for monetisation of its valuable real estate measuring nearly 4 acres, situated at a prime location in New Delhi (being the erstwhile Ranjit Hotel property, just off Connaught Place, New Delhi). The entire proceeds from the monetisation of real estate will be utilised by RCOM for repayment of debt, as part of its overall deleveraging plans.

2.4. Principal Operating Companies

Reliance Communications Limited is the Flagship Company and is also the holding company for the other major operating companies in the Group. Reliance Communications provides wireless, wireline, broadband, multimedia and Internet access services and long distance services in India and overseas. Its major assets are the wireless network, transmission networks used in its business, and the contact centres. It provides CDMA based wireless services in 20 Circles and GSM based wireless services in 14 Circles.

Reliance Telecom Limited (“RTL”) is a wholly owned subsidiary of Reliance Communications. RTL provides GSM-based wireless services in the remaining 8 service areas, and owns the GSM wireless networks in its service areas. It also has license for providing CDMA services in additional 2 Circles.

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

Reliance Webstore Limited (“RWSL”) is a wholly owned subsidiary of Reliance Communications and provides marketing and collection services.

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

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

3. Financial Highlight

Financial results for the quarter ended December 31, 2015 as per Indian GAAP. In the tables below, “Qtr ended 30/09/15” refers to the three month period ended September 30, 2015, “Qtr ended 31/12/14” refers to the three month period ended December 31, 2014 and “Qtr ended 31/12/15” refers to the three month period ended December 31, 2015.

Exchange rate, being the revaluation rate as announced by FEDAI, for conversion of Indian Rupees to United States Dollars is;

Rs 65.59 for the quarter ended September 30, 2015,
Rs 63.04 for the quarter ended December 31, 2014 and
Rs 66.16 for the quarter ended December 31, 2015,

3.1. Summarized Consolidated Statement of Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	30-09-15	31-12-14	31-12-15	
Total revenue	53,553	54,690	52,983	-1.1%
Net revenue	45,138	45,228	44,074	-2.4%
EBITDA	17,819	18,505	18,033	1.2%
Cash profit from operations	10,858	11,817	10,876	0.2%
Profit before tax	1,465	2,506	2,323	58.6%
Net profit	1,559	2,011	1,708	9.6%
<i>EBITDA margin (%)</i>	33.3%	33.8%	34.0%	

(US\$ Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	30-09-15	31-12-14	31-12-15	
Total revenue	817	868	801	-1.9%
Net revenue	688	718	666	-3.2%
EBITDA	272	294	273	0.3%
Cash profit from operations	166	187	164	-0.7%
Profit before tax	22	40	35	57.3%
Net profit	24	32	26	8.6%
<i>EBITDA margin (%)</i>	33.3%	33.8%	34.0%	

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

3.2. Summarized Consolidated Balance Sheet

(Rs Million, except ratios)

Particulars	As at	As at
	30-09-15	31-12-15
Assets		
Net fixed assets, including capital work-in-progress	668,850	667,862
Investments	907	926
Total current assets (excluding cash & cash equivalents)	222,496	226,177
Total assets	892,253	894,965
Liabilities and stockholders equity		
Total current liabilities and provisions	167,068	165,132
Net debt	398,949	404,791
Total liabilities	566,017	569,923
Stockholders equity (Net of Goodwill)	320,897	319,413
Minority interest	5,339	5,629
Total liabilities and stockholders equity	892,253	894,965
<i>Net debt to stockholders equity (x)</i>	<i>1.24</i>	<i>1.27</i>
<i>Book value per equity share (Rs)</i>	<i>131</i>	<i>131</i>

(US\$ Million)

Particulars	As at	As at
	30-09-15	31-12-15
Assets		
Net fixed assets, including capital work-in-progress	10,198	10,095
Investments	14	14
Total current assets (excluding cash & cash equivalents)	3,392	3,418
Total assets	13,604	13,528
Liabilities and stockholders equity		
Total current liabilities and provisions	2,547	2,496
Net debt	6,083	6,119
Total liabilities	8,630	8,615
Stockholders equity (Net of Goodwill)	4,893	4,828
Minority interest	81	85
Total liabilities and stockholders equity	13,604	13,528

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

3.3. Summarized Statement of Operations by Segment

3.3.1. India Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	30-09-15	31-12-14	31-12-15	
Gross Revenue	47,005	47,987	46,505	-1.1%
Net Revenue	38,596	38,526	37,614	-2.5%
EBITDA	16,054	17,050	16,201	0.9%
EBIT	7,839	8,723	8,052	2.7%
EBITDA margin %	34.2%	35.5%	34.8%	
EBIT margin %	16.7%	18.2%	17.3%	

3.3.2. Global Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	30-09-15	31-12-14	31-12-15	
Gross Revenue	10,623	12,361	11,059	4.1%
EBITDA	1,765	1,456	1,832	3.8%
EBIT	735	316	1,079	46.8%
EBITDA margin %	16.6%	11.8%	16.6%	
EBIT margin %	6.9%	2.6%	9.8%	

Note: "Net revenue" in 3.3.1 and 3.3.2 above represents gross segment revenue less license fees and access charges.

3.4 Additional Information

3.4.1. India Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	30-09-15	31-12-14	31-12-15	
Telecom Revenue				
–Voice	33,480	35,158	32,855	-1.9%
–Non Voice	12,482	11,594	12,569	0.7%
Others	1,043	1,235	1,081	3.6%
Total	47,005	47,987	46,505	-1.1%

3.4.2. Global Operations

(Rs Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended	Q-on-Q Growth (%)
	30-09-15	31-12-14	31-12-15	
Data	7,243	6,977	6,698	-7.5%
Voice	3,380	5,384	4,361	29.0%
Total	10,623	12,361	11,059	4.1%

3.5. Contribution to Revenue by Segment

(Rs Million, except ratios)

Segment	Qtr ended 30-09-15		Qtr ended 31-12-14		Qtr ended 31-12-15	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
India Operations	47,005	82%	47,987	80%	46,505	81%
Global Operations	10,623	18%	12,361	20%	11,059	19%
Sub Total	57,628	100%	60,348	100%	57,564	100%
Less: Eliminations	(4,075)		(5,658)		(4,581)	
Total	53,553		54,690		52,983	

3.6. Contribution to EBITDA by Segment

(Rs Million, except ratios)

Segment	Qtr ended 30-09-15		Qtr ended 31-12-14		Qtr ended 31-12-15	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
India Operations	16,054	90%	17,050	92%	16,201	90%
Global Operations	1,765	10%	1,456	8%	1,832	10%
Sub Total	17,819	100%	18,506	100%	18,033	100%
Less: Eliminations	-		(1)		-	
Total	17,819		18,505		18,033	

3.7. Investment in Projects by Segment

(Rs Million, except ratios)

Segment	Cumulative to 31-12-15		Qtr ended 31-12-15	
	Amount	% of total	Amount	% of total
India Operations	896,786	87%	9,161	96%
Global Operations	139,074	13%	391	4%
Total	1,035,860	100%	9,552	100%

4. Key Performance Indicators

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

Metric	Unit	Qtr ended 30-09-15	Qtr ended 31-12-14	Qtr ended 31-12-15
Voice				
Total customer base	Mn	111.6	107.5	102.1
Net adds	Mn	0.5	(3.8)	(9.5)
VLR	%	97.1	97.6	95.6
Pre-paid % of customer base	%	96.4	96.3	96.0
Churn	%	3.6	4.9	6.7
Total Minutes of Usage	Bn mins	102.5	103.4	100.4
ARPU	Rs/Sub	138	142	142
Revenue per minute	Rs/Sub	0.448	0.452	0.452
Voice ARPU	Rs/Sub	100	107	103
Voice Usage per customer/ month	Min/Sub	307	315	313
Voice revenue per minute	Rs/min	0.327	0.340	0.327
Total NLD minutes	Mn Mins	15,677	14,685	15,569
Total ILD minutes	Mn Mins	4,971	5,079	5,075
Data				
Total data customers *	Mn	37.2	31.4	38.8
3G customers #	Mn	19.1	16.7	23.1
Total data traffic	Mn MBs	97,340	76,434	103,180
Data usage per customer	MBs	894	834	905
Non-Voice as % of Telecom revenue	%	27.1	24.8	27.7
Network Statistics				
Service areas operational	Nos	22	22	22
3G towns coverage	Nos	334	334	524
Total sites on network**	Nos	86,792	86,792	76,194
Total 3G sites	Nos	11,659	11,659	11,995

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

** In addition, around 40,000 sites provide additional coverage through ICR arrangements with other operators.

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

5. Basis of Presentation of Financial Statements

5.1. Reporting Periods

The financial year end of Reliance Communications Limited is March 31. Each financial year ("FY") is referred to by the calendar year in which the particular financial year end occurs. The current financial year will be for a period of 12 months, commenced on April 1, 2015 and ending on March 31, 2016.

5.2. Consolidated and Segment Financial Results

5.2.1. Revenues

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

❑ Consolidated Revenues and Segment Gross Revenues

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

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

❑ Elimination of Inter Segment Revenues

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

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

5.2.2. Net Revenues by Segment

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

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

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

5.2.3. Operating Expenses

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

- ❑ Consolidated and Segment Gross Operating Expenses

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

- ❑ Elimination of Inter Segment Expenses

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

5.3. Composition of Segments

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

- ❑ India Operations
- ❑ Global Operations

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

5.3.1. India Operations

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

Since the voice market in the Indian telecom market remains dominant contributor to the sector, its performance review at an independent level has become essential.

The voice and non voice market largely constitutes of wireless telecom business. The Wireless segment functions in a retail mode. Wireless services are offered on both CDMA and GSM technology platforms. Wireless services consist mainly of the following:

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

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

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

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

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

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

5.3.2. Global Operations

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

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

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

6. Financial Statements

Financial results for the quarter ended December 31, 2015 as per Indian GAAP. An explanation of the basis of presentation is set out in Section 5. Previous quarter's figures have been re-grouped, re-arranged and re-classified wherever necessary.

6.1. Consolidated Results of Operations

(Rs. Million, except ratios)

Particulars	Qtr ended	Qtr ended	Qtr ended
	30-09-15	31-12-14	31-12-15
Total revenues	53,553	54,690	52,983
Services and sales	53,553	54,690	52,983
Total operating expenses	35,734	36,185	34,950
Access charges and license fees	8,415	9,462	8,909
Network operations	17,879	17,833	16,832
Employees	2,715	2,467	2,891
SG&A	6,725	6,423	6,318
EBITDA	17,819	18,505	18,033
Finance charges (net)	7,114	6,522	6,813
Depreciation / amortization	9,240	9,477	8,897
Profit before tax	1,465	2,506	2,323
Provision for tax (including Deferred tax)	(153)	165	344
Net profit after tax (before adjustment of share of Minority Interest/ Associates)	1,618	2,341	1,979
Share of Minority and associates	59	330	271
Net profit after tax (after adjustment of share of Minority Interest/ Associates)	1,559	2,011	1,708
Ratios			
<i>EBITDA margin (%)</i>	33.3%	33.8%	34.0%
<i>Net profit margin (%)</i>	2.9%	3.7%	3.2%

6.2. Consolidated Balance Sheet

(Rs. Million)

Particulars	As at	As at
	30-09-15	31-12-15
ASSETS		
Current assets		
Inventories	3,339	3,034
Debtors	46,893	50,259
Other current assets	26,835	28,380
Loans and advances	145,429	144,504
Total current assets (excluding cash and cash equivalents)	222,496	226,177
Fixed assets		
Gross block	1,142,018	1,163,670
Less: Depreciation	548,841	554,403
Net block	593,177	609,267
Capital work-in-progress	75,673	58,595
Total fixed assets	668,850	667,862
Investments	907	926
Total assets	892,253	894,965
LIABILITIES AND STOCKHOLDERS EQUITY		
Stockholders' equity		
Share capital	12,441	12,441
Reserves and surplus (net of Goodwill)	308,456	306,972
Total Stockholders' equity	320,897	319,413
Minority interest	5,339	5,629
Current liabilities and provisions		
Current liabilities *	151,352	149,725
Provisions	15,716	15,407
Total current liabilities and provisions	167,068	165,132
Debt		
Foreign currency loans	258,887	253,608
Rupee loans	164,954	172,904
Gross debt	423,841	426,512
Less: Cash and cash equivalents including investments	24,892	21,721
Net debt	398,949	404,791
Total liabilities and Stockholders' equity	892,253	894,965

* Current Liabilities includes Deferred Payment Liabilities of Rs. 31,671 million.

6.3. Consolidated Statement of Cash Flows

(Rs. Million)

Particulars		Qtr ended	Qtr ended
		30-09-15	31-12-15
Cash flows from operating activities:			
Net profit/(loss) before tax	A	1,465	2,323
Add: Non cash/non operating items	B	16,498	15,708
Depreciation and amortization		9,240	8,895
Provision for doubtful debts		176	191
Finance charges (net)		7,080	6,628
(Profit)/loss on sale of investments		2	(5)
Cash generated from operations before working capital changes	A+B	17,963	18,032
(Increase)/decrease in working capital		(3,114)	(9,715)
Cash generated from operations		14,849	8,317
Tax paid		(575)	(988)
Net cash provided/used by/in operating activities	C	14,274	7,329
Cash flows from investing activities:			
(Purchase)/sale of property, plant, and equipment (net)		(11,539)	(8,374)
(Purchase)/sale of investments (net)		207	57
Interest income / (expense) (net)		(8,111)	(6,023)
Net cash provided/used by/in investing activities	D	(19,443)	(14,340)
Cash flows from financing activities:			
Net cash provided/used by/in financing activities	E	3,970	3,840
Cash and cash equivalents:			
Beginning of the period	F	26,091	24,892
End of the period	C+D+E+F	24,892	21,721

7. Accounting Policies

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

7.1. Principles of Consolidation

Consolidation has been carried out in compliance with the applicable Accounting Standards, viz., AS 21 and AS 23, issued by the Institute of Chartered Accountants of India.

7.2. Other Significant Accounting Policies

7.2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act 2013.

7.2.2. Use of Estimates

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

7.2.3. Fixed Assets

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

- ❑ All costs including financing cost until commencement of commercial operations relating to borrowings attributable to fixed assets, are capitalized.
- ❑ Expenses incurred relating to projects prior to commencement of commercial operation are considered as project development expenditure and shown under capital work-in-progress.
- ❑ In respect of operating leases, rentals are expensed with reference to lease terms and other considerations in compliance with provisions of the AS 19 issued by The Institute of Chartered Accountants of India, except for rentals pertaining to the period up to the date of commencement of commercial operations, which are capitalized.
- ❑ In respect of finance leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as liabilities for leased assets in compliance with the provisions of the AS 19 issued by The Institute of Chartered Accountants of India. The principal component in the lease rental in respect of the above is adjusted against liabilities for leased assets and the interest component is recognized as an expense in the year in which the same is incurred except in case of assets used for capital projects where it is capitalized.
- ❑ Entry fees paid for telecom licenses and indefeasible right of connectivity are stated at cost for acquiring the same less accumulated amortization. These are classified as part of fixed assets.

7.2.4. Depreciation/Amortization

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

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

7.2.5. Impairment of Assets

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

7.2.6. Investments

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

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

7.2.7. Inventories

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

7.2.8. Employee Retirement Benefits

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

7.2.9. Borrowing Cost

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

7.2.10. Foreign Currency Transactions

- ❑ Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ❑ Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the yearend rate and the rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- ❑ Non monetary foreign currency items are carried at cost.
- ❑ All long term foreign currency monetary items consisting of loans which relate to acquisition of depreciable capital assets at the end of the period/ year have been restated at the rate prevailing at the Balance Sheet date. The exchange difference arising as a result has been added or deducted from the cost of the assets as per the notification issued by the Ministry of Company Affairs (MCA) dated 29th December, 2011 and 9th August 2012, and depreciated over remaining life of the capital asset. Exchange difference on other long term foreign currency loans is accumulated in "Foreign Currency Monetary item Translation Difference account" which will be amortized over the balance period of loans.
- ❑ Any income or expense on account of currency exchange difference, either on settlement or on translation, is recognized in the profit and loss account. The Company follows AS-11 in respect of forex loss/gain in case of monetary items other than mentioned above, and is therefore being debited/credited to Profit and Loss Account.
- ❑ Any income or loss arising out of marking derivative contracts to market price is recognized in the profit and loss account.

7.2.11. Revenue Recognition

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

7.2.12. Provision for Doubtful Debts

Provision is made in the accounts for doubtful debts in cases where the management considers the debts to be doubtful of recovery.

7.2.13. Miscellaneous Expenditure

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

7.2.14. Taxes on Income

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

7.2.15. Government Grants

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

7.2.16. Provisions, Contingent Liabilities and Contingent Assets

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

8. Notes to Accounts (As reported to stock exchanges)

1. Figures of the previous period have been regrouped and reclassified, wherever required
2. Pursuant to the Schemes of Arrangement ("the Schemes") sanctioned by the Hon'ble High Court of Judicature at Bombay, variation on account of changes in exchange rates including amortisation of the balance in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and depreciation consequent to addition of exchange differences to the cost of capitalised assets aggregating to ₹ 291 crore and ₹ 740 crore during the quarter and nine months ended December 31, 2015 respectively, are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter and nine months ended on December 31, 2015 and consequently, no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortisation of ₹ 294 crore and ₹ 895 crore, arising on fair value of the assets, for the quarter and nine months ended on December 31, 2015 respectively by withdrawing an equivalent amount from General Reserve. This matter has been referred to in the Limited Review Report by the Auditors.
3. Pursuant to the Companies Act, 2013 (the Act) becoming effective from April 1, 2014, the Company and a subsidiary company have adopted, based on technical assessment, estimated useful life of fixed assets as stipulated under Schedule II to the Act, except in case of some of its telecommunication equipments, as legally advised and as permitted by the said Schedule, where, based on condition of such telecommunication equipments, regular maintenance schedule, material of construction and past experience.

9. Glossary

Key Performance Indicators and Financial Terms

Key Performance Indicators	
ARPU	Computed by dividing total India telecom operations revenue for the relevant period by average customers; and dividing the result by the number of months in the relevant period.
Voice ARPU	Computed by dividing total India voice revenue for the relevant period by average customers; and dividing the result by the number of months in the relevant period.
Churn	Computed by taking average monthly disconnections divided by opening monthly subscriber base in the relevant period. Churn is expressed as a percentage.
Total minutes of usage (MoU)	Sum of all incoming and outgoing minutes used on the access network by all customers in aggregate.
Voice Usage per customer (min/sub)	Total voice minutes divided by average number of customers on the network in the relevant period. The result is expressed as the average per customer per month.
Revenue per minute (RPM)	ARPU divided by the average voice usage customer per month.
Voice revenue per minute (RPM)	Voice ARPU divided by the average voice usage customer per month.
ILD minutes	Total of incoming and outgoing international long distance minutes carried on the network. This includes minutes originating or terminating in India, international transit minutes, and global calling card minutes.
NLD minutes	Total of national long distance minutes carried by the Company under NLD license
Total data subscribers	Any subscriber with data usage of more than one Mb in one month.
Total data volume	Data usage by data subscribers in the relevant period.
Data usage per customer	Total data usage divided by average number of data subscribers on the network in the relevant period. The result is expressed as the average per customer per month.
3G customers	Any subscriber having made at least one revenue generating call or data usage of more than one Mb in one month.

Financial Terms	
Net revenue	Total revenue less (1) revenue share and spectrum fees (referred to as "License Fees") and (2) interconnect usage charges (referred to as "Access Charges").
Cash profit from operations	Is defined as the profit after tax plus depreciation and amortization.

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