

Reliance Communications Limited
 website: www.rcom.co.in
 Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710
 CIN - L45309MH2004 PLC147531

Unaudited Financial Results (Consolidated) for the Quarter and Half year ended September 30, 2016

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Half year ended	
		30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income from operations					
	(a) Net Income from Operations	5,090	5,247	5,267	10,337	10,724
	(b) Other Operating Income	10	12	64	22	128
	Total Income from Operations (net)	5,100	5,259	5,331	10,359	10,852
2	Expenses					
	(a) Access Charges	786	766	607	1,552	1,252
	(b) License Fee	184	206	236	390	511
	(c) Employee Cost	283	303	271	586	530
	(d) Depreciation and Amortisation	833	830	956	1,663	2,138
	(e) Other Expenses	2,347	2,526	2,453	4,873	4,947
	Total Expenses	4,433	4,631	4,523	9,064	9,378
3	Profit from Operations before Other Income, Finance Costs , Exceptional Items and Tax (1 - 2)	667	628	808	1,295	1,474
4	Other Income	42	102	32	144	81
5	Profit from Ordinary activities before Finance Costs , Exceptional Items and Tax (3 + 4)	709	730	840	1,439	1,555
6	Finance Costs	825	795	717	1,620	1,434
7	Profit / (Loss) from Ordinary activities after Finance Costs but before Exceptional Items and Tax (5 - 6)	(116)	(65)	123	(181)	121
8	Exceptional Items	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax and Share in Profit / (Loss) of Joint Venture and Associates (7 - 8)	(116)	(65)	123	(181)	121
10	Tax Expenses (net)	(177)	(154)	(79)	(331)	(144)
11	Net Profit from ordinary Activities after Tax (9 - 10)	61	89	202	150	265
12	Share of (Profit) / Loss of Associates	(1)	(1)	(1)	(2)	(1)
13	Non Controlling Interest	23	36	8	59	20
14	Net Profit after Taxes and Non Controlling Interest (11 - 12 - 13)	39	54	195	93	246
15	Other Comprehensive Income (net of tax)	(11)	90	177	79	258
16	Total Comprehensive Income (14 + 15)	28	144	372	172	504
17	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,244	1,244	1,244
18	Earnings per Share (EPS) (not annualised)					
	- Basic (Rs.)	0.15	0.22	0.78	0.37	0.99
	- Diluted (Rs.)	0.15	0.22	0.78	0.37	0.99
19	Debt Equity Ratio (Refer Note 11)				1.45	1.34
20	Debt Service Coverage Ratio (DSCR) (Refer Note 11)				0.65	1.12
21	Interest Service Coverage Ratio (ISCR) (Refer Note 11)				2.33	3.13

Segment wise Revenue, Results , Segment Assets and Segment Liabilities				(₹ in Crore)		
Sr. No.	Particulars	Quarter ended			Half year ended	
		30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue					
	(a) India Operation	4,488	4,693	4,711	9,181	9,523
	(b) Global Operation	1,089	1,185	1,060	2,274	2,185
	Total	5,577	5,878	5,771	11,455	11,708
	Less: Inter segment revenue	(435)	(517)	(408)	(952)	(775)
	Income from Operations	5,142	5,361	5,363	10,503	10,933
2	Segment Results					
	Profit / (Loss) before Tax and Finance Cost from each segment					
	(a) India Operation	611	671	789	1,282	1,616
	(b) Global Operation	98	59	51	157	(61)
	Total	709	730	840	1,439	1,555
	Add : Unallocable Revenue	-	-	-	-	-
	Less : Finance Costs (net)	825	795	717	1,620	1,434
	Less : Exceptional Items	-	-	-	-	-
	Total Profit before Tax and share in Profit / (Loss) of Associate	(116)	(65)	123	(181)	121
						-
3	Segment Assets					
	a) India Operation	85,166	85,876	81,845	85,166	81,845
	b) Global Operation	12,285	13,065	12,711	12,285	12,711
	c) Others/ Unallocable (net of Eliminations)	3,945	3,724	3,106	3,945	3,106
	Total	101,396	102,665	97,662	101,396	97,662
4	Segment Liabilities					
	a) India Operation	17,350	18,595	15,137	17,350	15,137
	b) Global Operation	6,231	6,661	6,599	6,231	6,599
	c) Others/ Unallocable (net of Eliminations)	2,277	2,096	1,922	2,277	1,922
	Total	25,858	27,352	23,658	25,858	23,658

Consolidated Statement of Assets and Liabilities		(₹ in Crore)
	Particulars	As at 30-Sep-16 Unaudited
A	ASSETS	
1	Non-Current Assets	
	(a) Property, Plant and Equipment	45,886
	(b) Capital Work in Progress	3,542
	(c) Investment Property	3
	(d) Goodwill	4,407
	(e) Other Intangible Assets	18,932
	(f) Intangible Assets under Development	869
	(g) Financial Assets	
	(i) Investments	105
	(ii) Other Financial Assets	15
	(h) Deferred Tax Asset (net)	2,732
	(i) Income Tax Asset (net)	1,124
	(j) Other Non Current Assets	7,915
	Sub-total Non-Current Assets	85,530
2	Current Assets	
	(a) Inventories	152
	(b) Financial Assets	
	(i) Investments	673
	(ii) Trade Receivables	4,467
	(iii) Cash and Cash Equivalents	976
	(iv) Bank Balances other than (iii) above	188
	(v) Other Financial Assets	459
	(c) Other Current Assets	8,951
	Sub-total - Current Assets	15,866
	Total Assets	101,396
B	EQUITY AND LIABILITIES	
1	Equity	
	(a) Equity Share Capital	1,244
	(b) Other Equity	29,408
	Equity Attributable to Shareholders	30,652
	Non-Controlling Interest	339
	Total Equity	30,991
	LIABILITIES	
2	Non-Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	27,206
	(ii) Deferred Payment Liabilities	3,295
	(iii) Other Financial Liabilities	646
	(b) Provisions	426
	(c) Deferred Tax Liabilities (net)	3,762
	(d) Other Non-Current Liabilities	4,740
	Sub-total Non-Current Liabilities	40,075
3	Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	5,165
	(ii) Trade Payables	6,357
	(iii) Other Financial Liabilities	13,439
	(b) Other Current Liabilities	4,095
	(c) Income Tax Liabilities (net)	45
	(d) Provisions	1,229
	Sub-total - Current Liabilities	30,330
	Total Equity and Liabilities	101,396

Notes

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, exchange 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 ₹ 200 crore and ₹ 438 crore during the quarter and half year ended September 30, 2016 respectively, are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter and half year ended on September 30, 2016 and consequently, no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. This matter has been referred to by the Auditors in their Limited Review Report. Consequently, reported Other Equity, Current Liabilities, Property, Plant and Equipment and Current Assets would have been ₹ 29,146 crore, ₹ 30,341 crore, ₹ 45,630 crore and ₹ 15,871 crore respectively as at September 30, 2016. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortisation of ₹ 208 crore and ₹ 465 crore, arising on fair value of the assets, for the quarter and half year ended on September 30, 2016 respectively by withdrawing an equivalent amount from General Reserve.
3. The Scheme of Arrangement between the Company (the Transferee Company) and Sistema Shyam Teleservices Limited (the Transferor Company) for demerger of Telecom Business Undertaking into the Company has been approved by the Hon'ble High Courts of Rajasthan and Bombay on September 30, 2016 and October 7, 2016 respectively. Further, the Scheme of Arrangement between Reliance Telecom Limited, a wholly owned subsidiary (the Transferor Company) and the Company for demerger of Telecom Undertaking comprising of 5 License Service Areas into the Company has been approved by the Hon'ble High Court of Bombay on October 27, 2016. The effects shall be considered when the aforesaid Schemes become effective upon compliance of certain conditions precedent specified therein.
4. Pursuant to the provisions of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, the Company has filed on October 17, 2016 with BSE Limited and National Stock Exchange of India Limited the Scheme of Arrangement ("Scheme"), which provides inter alia for demerger of the Wireless Business Undertaking of the Company and Reliance Telecom Limited (RTL), a Subsidiary of the Company into Aircel Limited (AL) and its subsidiary, Dishnet Wireless Limited (DWL) on the basis that pursuant to the Scheme, the Company would hold 50% ownership interest in AL.
5. The Company has adopted Indian Accounting Standard (Ind AS) from April 1, 2016 with a transition date of April 1, 2015. The figures for the quarter and half year ended September 30, 2015 have also been converted as per Ind AS, which have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the comparable financial results are correctly stated.

- a. Reconciliation and explanatory notes for the effects of the transition on Statement of Profit and Loss for the quarter and half year ended September 30, 2015 as previously reported and as per Ind AS are as follows:

Sr.	Adjustments to Increase/ (Decrease) in Net Profit	Amount (₹ in crore)		Refer Note below
		Quarter ended September 30, 2015	Half year ended September 30, 2015	
1	Net profit as previously reported as per Indian GAAP	156	333	
2	Restatement of Revenue	7	35	b
3	Impact on Depreciation	(32)	(241)	c
4	Fair Valuation impact of Financial Instruments	(6)	(19)	d
5	Deferred Tax Credit	64	138	e
6	Others	6	-	
7	Net Profit before Other Comprehensive Income as per Ind AS	195	246	

- b. Restatement of Revenue from non cancellable right of use and other revenues, to be recognised over a period of underlying contract of services in line with applicable Ind AS have been reversed on transition date.
- c. Depreciation impact consists of quarter / half year ended for ₹ 22 crore and ₹ 44 crore respectively on account of fair valuation and restatement under Ind AS and for the quarter and half year ended for ₹ 10 crore and ₹ 197 crore respectively on account of Restatement of Revenue.
- d. Fair valuation impact of borrowings, deposits/ advances etc. has been accounted considering net present value on transition date and consequent impact on profitability.
- e. Deferred tax is charged due to following the Balance Sheet approach; and impact arising on account of such changes on transition date.
- f. Other Comprehensive Income also comprises of actuarial gains and losses on employee Benefits, Exchange differences on translation of foreign operations/ subsidiaries and Fair valuation of Investments.
6. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 4,625 crore as on September 30, 2016 are secured by way of first pari passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both

present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Company and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). Out of the above, in case of NCDs of ₹ 1,625 crore, the Company has also assigned Telecom Licences, by execution of Tripartite Agreements with Department of Telecommunications (DoT). Further, NCDs of ₹ 500 crore have been secured by pledge of equity shares of RCIL held by the Company and of RTL held by the Company and Reliance Infocomm Infrastructure Limited (RIIL) by execution of the Share Pledge Agreement. The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.

7. Additional details as required in relation to Non Convertible Debentures (NCDs):

Nature of Instruments	11.20% NCDs	11.60% NCDs	11.25% NCDs
Amount outstanding (₹ in crore)	3,000	500	1,125
Previous due date for payment of Interest	02.11.2016	07.02.2016	07.11.2016
Whether Interest was paid on the due date	Yes	Yes	Yes
Next due date for payment of interest	02.12.2016	07.02.2017	07.12.2016
Credit Rating	ICRA BBB+	CARE A –	CARE A –
Due Date for Principal Repayment	01.03.2019	07.02.2017	₹ 375 crore on each dates 07.02.2017 07.02.2018 and 07.02.2019

8. Debenture Redemption Reserve (DRR) : ₹ 590 crore as on September 30, 2016.

9. Net Worth : ₹ 29,165 crore, as on September 30, 2016.

- Includes ₹ 751 crore created pursuant to the Scheme of Amalgamation approved by High court, which shall for all regulatory purposes be considered to be part of owned funds/ Networth of the Company.

10. The Company is operating with India Operations, Global Operations and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of Ind AS 108 "Operating Segments".

11. Formula used for the computation of ratios:

i) Debt Equity Ratio = Debt/ Equity;

ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest and tax/ (Interest + Principal repayment);

iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest and tax/ (Interest expense).

12. The Company has opted to publish consolidated financial results for the financial year 2016-17. Standalone financial results, for the quarter and half year ended September 30, 2016 can be viewed on the website of the Company, National Stock Exchange of India Limited and BSE Limited at www.rcom.co.in, www.nseindia.com and www.bseindia.com respectively.
13. Provision for Income Tax for the quarter ended September 30, 2016 is based on the estimate for the full financial year.
14. Additional information on standalone basis is as follows:

(₹ in Crore)

Particulars	Quarter ended			Six months ended	
	30-Sept-16	30-Jun-16	30-Sept-15	30-Sept-16	30-Sept-15
	Unaudited			Unaudited	
Total Income	2,286	2,592	2,507	4,878	5,092
Profit/ (Loss) before tax	(882)	(854)	(683)	(1,736)	(1,233)
Total Comprehensive Income	(864)	(559)	(361)	(1,423)	(592)

15. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on November 14, 2016 and the financial results for the Quarter and half year ended September 30, 2016 is subjected to limited review by the Statutory Auditors of the Company.

For **Reliance Communications Limited**

Place: Mumbai
Date : November 14, 2016

Anil D. Ambani
Chairman