

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, 2017

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from Operations	2,615	3,494	5,100	6,109	10,359	19,493
	(b) Other Income	52	97	42	149	144	456
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>2,667</b>	<b>3,591</b>	<b>5,142</b>	<b>6,258</b>	<b>10,503</b>	<b>19,949</b>
<b>2</b>	<b>Expenses</b>						
	(a) Access Charges, Licence Fees and Network Expenses	2,366	2,402	2,674	4,768	5,358	10,772
	(b) Employee Benefits Expenses	226	245	283	471	586	1,138
	(c) Finance Costs	1,149	998	825	2,147	1,620	3,561
	(d) Depreciation , Amortisation and Provision for Impairment	1,198	1,184	833	2,382	1,663	4,221
	(e) Sales and General Administration Expenses	549	401	643	950	1,457	2,647
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>5,488</b>	<b>5,230</b>	<b>5,258</b>	<b>10,718</b>	<b>10,684</b>	<b>22,339</b>
<b>3</b>	<b>Profit/ (Loss) before Share of Profit of Associates, Exceptional Items and Tax [ 1 (c) - 2 (f) ]</b>	<b>(2,821)</b>	<b>(1,639)</b>	<b>(116)</b>	<b>(4,460)</b>	<b>(181)</b>	<b>(2,390)</b>
4	Share of (Loss) / Profit of Associates	1	-	1	1	2	3
<b>5</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [ 3 - 4 ]</b>	<b>(2,820)</b>	<b>(1,639)</b>	<b>(115)</b>	<b>(4,459)</b>	<b>(179)</b>	<b>(2,387)</b>
6	Exceptional Items	-	-	-	-	-	-
<b>7</b>	<b>Profit/ (Loss) before Tax [ 5 - 6 ]</b>	<b>(2,820)</b>	<b>(1,639)</b>	<b>(115)</b>	<b>(4,459)</b>	<b>(179)</b>	<b>(2,387)</b>
<b>8</b>	<b>Tax Expenses</b>						
	(a) Current Tax	(43)	45	(14)	2	(3)	(2)
	(b) Short/(Excess) provision of earlier years	-	-	-	-	-	(22)
	(c) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	(68)	(474)	(163)	(542)	(328)	(1,080)
	<b>(d) Tax Expenses/ (Credit) (net) [ (a) to (c) ]</b>	<b>(111)</b>	<b>(429)</b>	<b>(177)</b>	<b>(540)</b>	<b>(331)</b>	<b>(1,104)</b>
<b>9</b>	<b>Profit/ (Loss) after Tax [ 7 - 8 ]</b>	<b>(2,709)</b>	<b>(1,210)</b>	<b>62</b>	<b>(3,919)</b>	<b>152</b>	<b>(1,283)</b>
10	Other Comprehensive Income for the period	9	(24)	(11)	(15)	79	(37)
<b>11</b>	<b>Total Comprehensive Income/ (Loss) for the period [ 9 + 10 ]</b>	<b>(2,700)</b>	<b>(1,234)</b>	<b>51</b>	<b>(3,934)</b>	<b>231</b>	<b>(1,320)</b>
<b>12</b>	<b>Profit/ (Loss) for the period attributable to</b>						
	(a) Equity holders of the company	(2,712)	(1,221)	39	(3,933)	93	(1,403)
	(b) Non Controlling Interest	3	11	23	14	59	120
<b>13</b>	<b>Total Comprehensive Income/ (Loss) attributable to</b>						
	(a) Equity holders of the company	(2,703)	(1,245)	28	(3,948)	172	(1,440)
	(b) Non Controlling Interest	3	11	23	14	59	120
<b>14</b>	<b>Earnings per Share (EPS) (before and after exceptional items)</b>						
	(a) Basic (Rs.)	(10.99)	(4.95)	0.15	(15.94)	0.37	(5.69)
	(b) Diluted (Rs.)	(10.99)	(4.95)	0.15	(15.94)	0.37	(5.69)
15	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,244	1,244	1,244	1,244
16	Other Equity (Excluding Revaluation Reserve)						27,325
17	Debt Equity Ratio (Refer Note 11)				1.91	1.45	1.61
18	Debt Service Coverage Ratio (DSCR) (Refer Note 11)				0.02	0.65	0.54
19	Interest Service Coverage Ratio (ISCR) (Refer Note 11)				0.04	2.33	1.84

Segment wise Revenue, Results , Segment Assets and Segment Liabilities							(₹ in Crore)
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Segment Revenue</b>						
	(a) India Operation	2,160	3,048	4,488	5,208	9,181	17,364
	(b) Global Operation	681	839	1,089	1,520	2,274	4,394
	<b>(c) Total [ (a) + (b) ]</b>	<b>2,841</b>	<b>3,887</b>	<b>5,577</b>	<b>6,728</b>	<b>11,455</b>	<b>21,758</b>
	(d) Less: Inter segment revenue	(174)	(296)	(435)	(470)	(952)	(1,809)
	<b>(e) Income from Operations [ (c) - (d) ]</b>	<b>2,667</b>	<b>3,591</b>	<b>5,142</b>	<b>6,258</b>	<b>10,503</b>	<b>19,949</b>
<b>2</b>	<b>Segment Results</b>						
	Profit / (Loss) before Tax and Finance Cost from each segment						
	(a) India Operation	(1,669)	(576)	611	(2,245)	1,282	988
	(b) Global Operation	(3)	(65)	98	(68)	157	183
	<b>(c) Total [ (a) + (b) ]</b>	<b>(1,672)</b>	<b>(641)</b>	<b>709</b>	<b>(2,313)</b>	<b>1,439</b>	<b>1,171</b>
	(d) Add : Unallocable Revenue	-	-	-	-	-	-
	(e) Less : Finance Costs (net)	1,149	998	825	2,147	1,620	3,561
	(f) Less : Exceptional Items	-	-	-	-	-	-
	<b>Total Profit/ (Loss) before Tax and share in Profit / (Loss) of Associate</b>	<b>(2,821)</b>	<b>(1,639)</b>	<b>(116)</b>	<b>(4,460)</b>	<b>(181)</b>	<b>(2,390)</b>
<b>3</b>	<b>Segment Assets</b>						
	(a) India Operation	80,976	82,253	85,166	80,976	85,166	83,947
	(b) Global Operation	11,811	11,938	12,285	11,811	12,285	12,139
	(c) Others/ Unallocable (net of Eliminations)	3,322	3,465	3,945	3,322	3,945	3,645
	<b>(d) Total [ (a) to (c) ]</b>	<b>96,109</b>	<b>97,656</b>	<b>101,396</b>	<b>96,109</b>	<b>101,396</b>	<b>99,731</b>
<b>4</b>	<b>Segment Liabilities</b>						
	a) India Operation	16,470	15,328	17,350	16,470	17,350	16,017
	b) Global Operation	6,224	6,411	6,231	6,224	6,231	6,465
	c) Others/ Unallocable (net of Eliminations)	2,374	2,455	2,277	2,374	2,277	2,547
	<b>(d) Total [ (a) to (c) ]</b>	<b>25,068</b>	<b>24,194</b>	<b>25,858</b>	<b>25,068</b>	<b>25,858</b>	<b>25,029</b>

Consolidated Statement of Assets and Liabilities		(₹ in Crore )	
		As at 30-Sep-17 Unaudited	As at 31-Mar-17 Audited
Particulars			
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	52,737	49,801
	(b) Capital Work in Progress	864	1,909
	(c) Goodwill	3,549	3,548
	(d) Other Intangible Assets	16,282	17,494
	(e) Intangible Assets under Development	1,006	981
	(f) Investment in Associates	21	21
	(g) Financial Assets		
	(i) Investments	9	11
	(ii) Other Financial Assets	224	246
	(h) Deferred Tax Asset (net)	4,270	3,670
	(i) Income Tax Asset (net)	977	964
	(j) Other Non Current Assets	5,336	8,079
	<b>Sub-total Non-Current Assets</b>	<b>85,275</b>	<b>86,724</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	124	235
	(b) Financial Assets		
	(i) Trade Receivables	2,311	3,251
	(ii) Cash and Cash Equivalents	461	1,024
	(iii) Bank Balances other than (ii) above	184	295
	(iv) Other Financial Assets	152	715
	(c) Other Current Assets	7,603	7,487
	<b>Sub-total - Current Assets</b>	<b>10,834</b>	<b>13,007</b>
	<b>Total Assets</b>	<b>96,109</b>	<b>99,731</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share Capital	1,244	1,244
	(b) Other Equity	23,060	27,325
	<b>Equity Attributable to Shareholders</b>	<b>24,304</b>	<b>28,569</b>
	Non-Controlling Interest	413	400
	<b>Total Equity</b>	<b>24,718</b>	<b>28,969</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	18,885	22,550
	(ii) Deferred Payment Liabilities	3,328	3,328
	(iii) Other Financial Liabilities	429	459
	(b) Deferred Revenue	3,102	3,303
	(c) Other Non-Current Liabilities	61	87
	(d) Deferred Tax Liabilities (net)	4,592	4,550
	(e) Provisions	464	451
	<b>Sub-total Non-Current Liabilities</b>	<b>30,861</b>	<b>34,728</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	12,161	9,499
	(ii) Trade Payables	4,858	4,746
	(iii) Other Financial Liabilities	18,595	17,391
	(b) Deferred Revenue	1,124	1,377
	(c) Other Current Liabilities	2,539	1,764
	(d) Income Tax Liabilities (net)	12	12
	(e) Provisions	1,241	1,245
	<b>Sub-total - Current Liabilities</b>	<b>40,530</b>	<b>36,034</b>
	<b>Total Equity and Liabilities</b>	<b>96,109</b>	<b>99,731</b>

## 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 ₹ 184 crore and ₹ 350 crore during the quarter and half year ended September 30, 2017 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, 2017 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 ₹ 22,809 crore, ₹ 41,747 crore, ₹ 12,018 crore and ₹ 52,505 crore respectively as at September 30, 2017. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortisation of ₹ 141 crore and ₹ 280 crore, arising on fair value of the assets, for the quarter and half year ended on September 30, 2017 respectively by withdrawing an equivalent amount from General Reserve.
3. The Company had received final approval from the Department of Telecommunications (DOT), vide letter dated October 20, 2017, in the matter of demerger ("the Scheme") i. e. transfer and vesting of Wireless Telecom Business Undertaking ("the Transferred Undertaking") of Sistema Shyam Teleservices Limited (SSTL) into the Company. In terms of the said Scheme as sanctioned by Hon'ble High Court of Judicature at Bombay and Hon'ble Rajasthan High Court at Jaipur, vide their Orders dated October 7, 2016 and September 30, 2016 respectively, the Company has allotted 27,65,53,305 Equity Shares of ₹ 5 each fully paid up to SSTL, constituting 10% of the fully diluted Equity Share Capital of the Company. As the Effective Date, being October 31, 2017, the accounting effects pursuant to the said Scheme shall be considered in next quarter.
4. After the end of the quarter, the Company has entered into binding Memorandum of Understanding (MoU), on November 6, 2017, with Veecon Media & Television Limited (VMTL) for selling 100% Equity Shares of Reliance Big TV Limited, a subsidiary of the Company. Considering that the MoU is subject to various conditions precedent, including requisite approvals from the licensors, regulatory authorities and lenders of the Company, no effect of this MoU is considered in accounts for the quarter ended September 30, 2017.
5. The Company has been engaged with Joint Lenders' Forum (JLF), constituted on June 2, 2017, to finalise an overall debt resolution plan including conversion by lenders of debt into equity under the Strategic Debt Restructuring Scheme (SDR Scheme) for the Company and its two subsidiaries, RTL and RITL. Consequently, standstill on the Company's debt servicing obligations for a period of 18 months till December, 2018 has become effective. Financial impact of the transactions pertaining to debt resolution plan shall be determined on completion thereof

and accordingly, necessary accounting effects of impact shall be considered. Pending finalization of the resolution plan, accounts have been prepared on going concern basis. This matter has been referred to by the Auditors in their Limited Review Report.

6. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 3,750 crore as on September 30, 2017 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 ₹ 750 crore, the Company has also assigned Telecom Licences, by execution of Tripartite Agreement with Department of Telecommunications (DoT). 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	11.25% NCDs
Amount outstanding (₹ in crore)	3,000	750
Previous due date for Principal Repayment and whether paid	Not Applicable	07.02.2017 paid on 10.04.2017
Previous due date for payment of Interest	02.11.2017	07.11.2017
Whether Interest was paid on the due date	No	No
Next due date for payment of interest	02.12.2017	07.12.2017
Credit Rating and change in credit rating, if any	ICRA D earlier ICRA BB	CARE D earlier CARE BB
Due Date for Principal Repayment	01.03.2019	₹ 375 crore on each dates 07.02.2018 and 07.02.2019

8. Debenture Redemption Reserve ( DRR) : ₹ 590 crore as on September 30, 2017.
9. Net Worth : ₹ 24,222 crore, as on September 30, 2017.
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 2017-18. Standalone financial results, for the quarter and half year ended September 30, 2017 can be viewed on the website of the Company, National Stock Exchange of India Limited and BSE Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.

13. Provision for Income Tax for the quarter and half year ended September 30, 2017 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		Year ended
	30-Sept-17	30-Jun-17	30-Sept-16	30-Sept-17	30-Sept-16	31-Mar-2017
	Unaudited			Unaudited		Audited
Total Income	1,399	1,707	2,286	3,106	4,878	9,154
Profit/ (Loss) before tax	(1,877)	(1,573)	(882)	(3,450)	(1,736)	(3,855)
Total Comprehensive Income	(1,878)	(962)	(864)	(2,840)	(1,423)	(1,797)

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 11, 2017 and the financial results for the Quarter and half year ended September 30, 2017 is subjected to limited review by the Statutory Auditor of the Company.

**For Reliance Communications Limited**

Place: Mumbai  
Date : November 11, 2017

**Punit Garg**  
**Excecutive Director**