

Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. Pursuant to strategic transformation programme, as a part of Monetization and Resolution Plan of the Company under implementation, the Company and its subsidiary companies; 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) ["Identified Assets"]. The validity of the said definitive binding agreements has been extended up to June 28, 2019. 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 expect to close these transactions in a phased manner. In the meanwhile, Hon'ble National Company Law Tribunal (NCLT), Mumbai had, 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 resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed vide NCLT orders dated May 18, 2018. The Company along with the support of the lenders filed an appeal with National Company Law Appellate Tribunal (NCLAT) challenging the said order of the NCLT and the Hon'ble NCLAT, vide its order dated May 30, 2018, has on the basis of a settlement between the Company and the operational creditor stayed the order passed by the NCLT and allowed the management to function. The Company also filed a writ Petition before the Hon'ble Supreme Court to release the Company from the Corporate Insolvency Resolution Process (CIRP). In an interim order in the said writ Petition, which is pending, the Supreme Court, vide its order dated August 3, 2018, has permitted the Company to proceed with the sale of the Identified Assets. On account of delay in completing the sale of certain spectrum not forming part of the Identified Assets, the Company applied to the Supreme Court seeking extension of time for making payment of the settlement amount to the operational creditor. The Supreme Court vide its order dated October 23, 2018 has allowed the Company to pay dues to the operational creditor on or before December 15, 2018 together with interest at the rate of 12% per annum from October 1, 2018. Accounting effect of the same will be accounted on final settlement. Pending payment, the Operational Creditor has filed a contempt petition before the Supreme Court. Further, the petition filed by the minority shareholders holding 4.26% stake in RITL, before the NCLT under Section 230 of the Companies Act, 2013 (Section 397-398 of the Companies Act, 1956), stood dismissed as withdrawn vide NCLT order dated July 3, 2018. Consequently, the interim stay granted by the NCLT on the implementation of the resolution approving the sale of the assets of RITL no more survives. RITL Minority Shareholders have filed a contempt petition in relation to non payment of settlement amount within stipulated time. The Company is confident that it will fulfill its commitments in respect of settlements with the operational creditor and the minority shareholders as well as finalise and implement a suitable comprehensive Monetisation and Resolution Plan (MRP), also incorporating strategic

transformation programme. On finalisation and implementation of the MRP, the Company will carry out a comprehensive impairment review of its fixed assets, investments and other assets. Considering these developments, the financial results continue to be prepared on going concern basis. This matter has been referred to by the Auditors in their Limited Review Report.

3. The assets pertaining to discontinued operations referred to in Note 2 above, along with liabilities 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”. Assets held for sale are recorded at lower of carrying amount and fair value less cost as per Ind AS 105.

The financial result of discontinued operations is as under:

(₹ in Crore)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	30	60	237	97	2,016	2,045
Profit/ (Loss) before tax	(58)	(91)	(192)	(250)	(3,682)	(9,933)
Profit/ (Loss) after tax	(58)	(91)	(192)	(250)	(3,102)	(9,933)

4. Considering all factors including admission of the companies to debt resolution process under the IBC and the Company’s MRP submitted to the lenders, for overall debt resolution including interest and fixation of exchange rate for determining the foreign currency loans, the Company and its subsidiary companies, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company’s obligation for interest and the principal rupee amount in respect of foreign currency denominated loans, without implying in any way that the terms of lending by the banks, bond holders, debenture holders and other lenders are altered, has not provided interest of ₹ 967 crore and ₹ 2,844 crore for the quarter and nine months ended December 31, 2018 respectively and foreign exchange variance including amortization of Foreign Currency Monetary Items Translation Difference Account (FCMITDA) aggregating to ₹ 351 crore gain and ₹ 1,078 crore loss for the quarter and nine months ended December 31, 2018 respectively. Had the Company provided Interest and foreign exchange variance, the Loss would have been higher by ₹ 616 crore and ₹ 3,922 crore for the quarter and nine months ended December 31, 2018 respectively. The Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018 for non provision of interest of ₹ 3,055 crore. Further, the Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Limited Review Report for the quarter and nine months period ended December 31, 2018. However, pending final approval of the MRP and considering all

the facts and circumstances, the likely impact on the Company's financial position is not ascertainable at this stage.

5. During the previous quarter ended September 30, 2018, assets and liabilities pertaining to Reliance Realty Limited (RRL) have been derecognized and Investment by the Company in RRL has been accounted at fair value as per Ind AS 109, "Financial Instruments" pursuant to amendment to the articles of association and control of RRL conferred on ADA Group, has been represented as Exceptional Items. Impact on profitability net of tax was ₹ 6,876 crore. Hence the figures for the three months and nine months ended December 31, 2018 are not comparable with the previous corresponding period.
6. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 3,750 crore as on December 31, 2018 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 Licenses, by execution of Tripartite Agreements with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
7. Disclosure as per Ind AS "Operating Segments" is reported in Consolidated Financial Results of the Company. Therefore, the same has not been separately disclosed in line with the provision of Ind AS.
8. Provision for Income Tax for the quarter ended December 31, 2018 is based on the estimate for the full financial year.
9. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on January 23, 2019 and the financial results for the Quarter and nine months ended December 31, 2018 have been subjected to limited review by the Statutory Auditors of the Company.

For Reliance Communications Limited

Place: Mumbai
Date: January 23, 2019

Punit Garg
Executive Director