

**HON'BLE SUPREME COURT DISMISSES SPECIAL LEAVE PETITION FILED BY
INCOME-TAX DEPARTMENT AGAINST RELIANCE COMMUNICATIONS ON
FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)**

**HON'BLE SUPREME COURT'S VERDICT QUASHES RCOM'S
CONTINGENT TAX LIABILITY OF ABOUT RS 4800 CRORE**

**HON'BLE SUPREME COURT UPHOLDS ORDERS OF INCOME TAX APPELLATE
TRIBUNAL AND HON'BLE BOMBAY HIGH COURT**

Mumbai, 21 November 2016: The Hon'ble Supreme Court on Monday, 21st Nov. 2016, dismissed the Special Leave Petition filed by the Income-Tax Department against Reliance Communications on taxing of the proceeds of Foreign Currency Convertible Bonds (FCCBs), treating it as 'unexplained cash credit'.

A Supreme Court bench of Hon'ble Mr Justice Kurian Joseph and Hon'ble Mr Justice Rohinton Fali Nariman passed the order dismissing the I-T Department's Special Leave Petition, in relation to taxing of the FCCB proceeds, interest and derivatives income / loss thereon.

The Supreme Court order has quashed contingent tax liability of RCOM for about Rs 4800 crore. Earlier, the Income-Tax Appellate Tribunal and the Hon'ble Bombay High Court had also upheld RCOM's appeal against the order of the Income-Tax Department.

During Financial Year 2006-07, Reliance Communications had issued FCCBs, as per the extant Guidelines of the Reserve Bank of India and applicable laws, aggregating US \$1.5 billion (Rs 6,485 crore). The Income-Tax department took the view to assess the FCCB proceeds as 'unexplained cash credits' and had raised tax demands thereon.

About Reliance Communications

Reliance Group, founded by the late Shri Dhirubhai H Ambani (1932-2002), currently has a net worth in excess of Rs 100,840 crore (US \$15.2 billion), cash flows of over Rs 11,300 crore (US \$1.7 billion) and net profit of over Rs 5,100 crore (US \$0.8 billion).

Reliance Communications is India's foremost and truly-integrated telecommunications service provider. The Company has a customer base of over 96 million, including over 2.6 million individual overseas retail customers. Reliance Communications' corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 global, regional and domestic carriers.

Reliance Communications has established a pan-India, Next-Generation, integrated (wireless and wire-line), convergent (voice, data and video) digital network that is capable of supporting best-of-class services spanning the entire communications value chain, covering over 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest Next-Generation IP-enabled connectivity infrastructure, comprising over 280,000 kilometers of fiber optic cable systems in India, the United States, Europe, the Middle-East and the Asia-Pacific region.

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