

Reliance Communications Limited

website: www.rcom.co.in

Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

CIN - L45309MH2004 PLC147531

Audited Financial Results (Consolidated) for the quarter and year ended March 31, 2017

(₹ in Crore)						
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	(a) Revenue from Operations	4,312	4,822	5,682	19,493	21,954
	(b) Other Income	212	100	298	456	402
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>4,524</b>	<b>4,922</b>	<b>5,980</b>	<b>19,949</b>	<b>22,356</b>
<b>2</b>	<b>Expenses</b>					
	(a) Access Charges, Licence Fees and Network Expenses	2,624	2,791	2,937	10,772	10,801
	(b) Employee Benefits Expenses	271	281	299	1,138	1,120
	(c) Finance Costs	983	958	791	3,561	2,924
	(d) Depreciation , Amortisation and Provision for Impairment	1,393	1,165	1,372	4,221	4,484
	(e) Sales and General Administration Expenses	545	644	741	2,647	2,797
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>5,816</b>	<b>5,839</b>	<b>6,140</b>	<b>22,339</b>	<b>22,126</b>
<b>3</b>	<b>Profit/ (Loss) before Share of Profit of Associates, Exceptional Items and Tax [ 1 (c) - 2 (f) ]</b>	<b>(1,292)</b>	<b>(917)</b>	<b>(160)</b>	<b>(2,390)</b>	<b>230</b>
4	Share of Loss / (Profit) of Associates	-	(1)	(1)	(3)	(2)
<b>5</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [ 3 - 4 ]</b>	<b>(1,292)</b>	<b>(916)</b>	<b>(159)</b>	<b>(2,387)</b>	<b>232</b>
6	Exceptional Items	-	-	-	-	-
<b>7</b>	<b>Profit/ (Loss) before Tax [ 5 - 6 ]</b>	<b>(1,292)</b>	<b>(916)</b>	<b>(159)</b>	<b>(2,387)</b>	<b>232</b>
<b>8</b>	<b>Tax Expenses</b>					
	(a) Current Tax	(56)	57	59	(2)	87
	(b) Short/(Excess) provision of earlier years	(22)	-	(73)	(22)	(73)
	(c) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	(266)	(485)	(224)	(1,080)	(442)
	<b>(d) Tax Expenses (net) [ (a) to (c) ]</b>	<b>(344)</b>	<b>(428)</b>	<b>(238)</b>	<b>(1,104)</b>	<b>(428)</b>
<b>9</b>	<b>Profit/ (Loss) after Tax [ 7 - 8 ]</b>	<b>(948)</b>	<b>(488)</b>	<b>79</b>	<b>(1,283)</b>	<b>660</b>
10	Other Comprehensive Income for the period	(164)	47	(133)	(37)	138
<b>11</b>	<b>Total Comprehensive Income for the period [ 9 + 10 ]</b>	<b>(1,112)</b>	<b>(441)</b>	<b>(54)</b>	<b>(1,320)</b>	<b>798</b>
<b>12</b>	<b>Profit/ (Loss) for the period attributable to</b>					
	(a) Equity holders of the company	(966)	(531)	90	(1,403)	639
	(b) Non Controlling Interest	18	43	(11)	120	21
<b>13</b>	<b>Total Comprehensive Income/ (Loss) attributable to</b>					
	(a) Equity holders of the company	(1,130)	(484)	(43)	(1,440)	777
	(b) Non Controlling Interest	18	43	(11)	120	21
<b>14</b>	<b>Earnings per Share (EPS) (before or after exceptional items)</b>					
	(a) Basic (Rs.)	(3.91)	(2.15)	0.37	(5.69)	2.59
	(b) Diluted (Rs.)	(3.91)	(2.15)	0.37	(5.69)	2.59
15	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,244	1,244	1,244
16	Debt Equity Ratio (Refer Note 10)				1.61	1.39
17	Debt Service Coverage Ratio (DSCR) (Refer Note 10)				0.54	0.98
18	Interest Service Coverage Ratio (ISCR) (Refer Note 10)				1.84	3.30

Segment wise Revenue, Results , Segment Assets and Segment Liabilities					(₹ in Crore )	
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>					
	(a) India Operation	3,916	4,267	5,248	17,364	19,439
	(b) Global Operation	988	1,132	1,282	4,394	4,701
	<b>(c) Total [ (a) + (b) ]</b>	<b>4,904</b>	<b>5,399</b>	<b>6,530</b>	<b>21,758</b>	<b>24,140</b>
	(d) Less: Inter segment revenue	(380)	(477)	(550)	(1,809)	(1,784)
	<b>(e) Income from Operations [ (c) - (d) ]</b>	<b>4,524</b>	<b>4,922</b>	<b>5,980</b>	<b>19,949</b>	<b>22,356</b>
<b>2</b>	<b>Segment Results</b>					
	Profit / (Loss) before Tax and Finance Cost from each segment					
	(a) India Operation	(300)	5	582	988	3,002
	(b) Global Operation	(10)	36	49	183	152
	<b>(c) Total [ (a) + (b) ]</b>	<b>(310)</b>	<b>41</b>	<b>631</b>	<b>1,171</b>	<b>3,154</b>
	(d) Add : Unallocable Revenue	-	-	-	-	-
	(e) Less : Finance Costs (net)	983	958	791	3,561	2,924
	(f) Less : Exceptional Items	-	-	-	-	-
	<b>Total Profit before Tax and share in Profit / (Loss) of Associate</b>	<b>(1,293)</b>	<b>(917)</b>	<b>(160)</b>	<b>(2,390)</b>	<b>230</b>
<b>3</b>	<b>Segment Assets</b>					
	(a) India Operation	83,947	85,123	88,430	83,947	88,430
	(b) Global Operation	12,139	13,608	11,407	12,139	11,407
	(c) Others/ Unallocable (net of Eliminations)	3,645	3,696	3,617	3,645	3,617
	<b>(d) Total [ (a) to (c) ]</b>	<b>99,731</b>	<b>102,427</b>	<b>103,454</b>	<b>99,731</b>	<b>103,454</b>
<b>4</b>	<b>Segment Liabilities</b>					
	a) India Operation	16,017	21,364	19,288	16,017	19,288
	b) Global Operation	6,465	2,584	6,594	6,465	6,594
	c) Others/ Unallocable (net of Eliminations)	2,547	2,624	2,103	2,547	2,103
	<b>(d) Total [ (a) to (c) ]</b>	<b>25,029</b>	<b>26,572</b>	<b>27,985</b>	<b>25,029</b>	<b>27,985</b>

Consolidated Statement of Assets and Liabilities		(₹ in Crore )	
	Particulars	As at	As at
		31-Mar-17	31-Mar-16
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	49,801	50,774
	(b) Capital Work in Progress	1,909	1,754
	(c) Goodwill	3,548	3,551
	(d) Other Intangible Assets	17,494	15,387
	(e) Intangible Assets under Development	981	8,086
	(f) Investment in Associates	21	18
	(g) Financial Assets		
	(i) Investments	11	12
	(ii) Other Financial Assets	246	177
	(h) Deferred Tax Asset (net)	3,670	1,928
	(i) Income Tax Asset (net)	964	1,406
	(j) Other Non Current Assets	8,079	8,600
	<b>Sub-total Non-Current Assets</b>	<b>86,724</b>	<b>91,693</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	235	208
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade Receivables	3,251	2,981
	(iii) Cash and Cash Equivalents	1,024	835
	(iv) Bank Balances other than (iii) above	295	689
	(v) Other Financial Assets	715	283
	(c) Other Current Assets	7,487	6,765
	<b>Sub-total - Current Assets</b>	<b>13,007</b>	<b>11,761</b>
	<b>Total Assets</b>	<b>99,731</b>	<b>103,454</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	27,325	30,339
	<b>Equity Attributable to Shareholders</b>	<b>28,569</b>	<b>31,583</b>
	Non-Controlling Interest	400	282
	<b>Total Equity</b>	<b>28,969</b>	<b>31,865</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings (Refer Note 4)	22,550	29,114
	(ii) Deferred Payment Liabilities	3,328	3,295
	(iii) Other Financial Liabilities	459	517
	(b) Deferred Revenue	3,303	3,842
	(c) Other Non-Current Liabilities	87	2,860
	(d) Deferred Tax Liabilities (net)	4,550	3,888
	(e) Provisions	451	397
	<b>Sub-total Non-Current Liabilities</b>	<b>34,728</b>	<b>43,913</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	9,499	4,374
	(ii) Trade Payables	4,746	5,775
	(iii) Other Financial Liabilities	17,391	12,399
	(b) Deferred Revenue	1,377	1,486
	(c) Other Current Liabilities	1,764	2,374
	(d) Income Tax Liabilities (net)	12	25
	(e) Provisions	1,245	1,243
	<b>Sub-total - Current Liabilities</b>	<b>36,034</b>	<b>27,676</b>
	<b>Total Equity and Liabilities</b>	<b>99,731</b>	<b>103,454</b>

## Notes

- Figures of the previous period have been regrouped and reclassified, wherever required.
- Pursuant to the Scheme of Arrangement ("the Scheme") 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 ₹ 60 crore and ₹ 714 crore during the quarter and year ended March 31, 2017 respectively, have been withdrawn from General Reserve. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortization of ₹ 570 crore and ₹ 1,205 crore, arising on fair value of the assets, for the quarter and year ended March 31, 2017 respectively, by withdrawing an equivalent amount from General Reserve and the charge disclosed in the Financial Results is net of such withdrawal. This matter has been referred to by the Auditors.
- 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 year ended March 31, 2016 have also been converted as per Ind AS. Reconciliation of the effects of the transition on Statement of Profit and Loss for the quarter and year ended March 31, 2016 as previously reported and as per Ind AS as also other changes on transition date is as follows:

(₹ in crore)

Sr. No.	Reconciliation of Other Equity/ Net Profit	Other Equity	Profit Reconciliation		Refer Note Below
		As at March 31, 2016	Quarter ended March 31, 2016	Year ended March 31, 2016	
1	Other Equity/ Net Profit as previously reported as per Indian GAAP	35,622	177	681	
2	Fair Valuation/ Restatement of Property, Plant and Equipment including Intangibles	3,697	(55)	(211)	a
3	Restatement of Revenue and related Cost	(1,636)	6	10	b
4	Fair Valuation of Financial Instruments	(153)	(19)	(61)	c
5	Receivables assessed for future economic benefit and/ or collection expected to flow	(1,029)	3	(10)	d
6	Deferred Taxes	(1,691)	11	228	e
7	Restatement of Business Combinations and combinations of subsidiaries* and consequential recognition of fair valuation as on the transition date	(5,455)	-	-	f
8	Grossing up of Capital Reserve and Goodwill	1,384	-	-	g
9	Other Ind AS Adjustments	(400)	(33)	2	h
10	Other Equity/ Net Profit Before Other Comprehensive Income (OCI) as per Ind AS	30,339	90	639	

\* Consequent upon merger of two subsidiary companies, Flag Telecom Group Services Limited (FTGSL) into GCX Services Limited (GCXL) in Bermuda and Vanco Benelux BV into Reliance Globalcom BV (RGBV) in the Netherlands, the networth of GCXL and RGBV have reduced by ₹ 2,410 crore and ₹ 2,190 crore respectively.

- a. The Company has elected the option of adopting fair value as deemed cost for certain Land and Buildings, Plant and Machinery and Intangibles, as on the date of transition to Ind AS. Other Assets were restated retrospectively. This has resulted in, net increase in the value of Land and Buildings by ₹ 5,787 crore and Plant and Machinery by ₹ 314 crore and net decrease in value of Intangibles being CDMA (Telecom) Spectrum by ₹ 2,404 crore and consequent increase in depreciation for the quarter and year ended by ₹ 55 crore and ₹ 211 crore respectively.
- 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, has resulted in reversal of revenue aggregating to ₹ 3,839 crore along with reversal of corresponding depreciation of ₹ 2,168 crore and License Fees of ₹ 35 crore as at March 31, 2016. Consequently revenue, depreciation and license fees have increased by ₹ 65 crore, ₹ 58 crore and ₹ 1 crore respectively for the quarter and by ₹ 243 crore , ₹ 227 crore and ₹ 6 crore respectively for the year.
- c. Fair valuation impact of ₹ 107 crore on borrowings, ₹ 30 crore on Investments and ₹ 16 crore on deposits as at March 31, 2016. Corresponding reduction of profitability by ₹ 19 crore and ₹ 61 crore for the quarter and year ended March 31, 2016.
- d. Increase in provision for trade receivables and other receivables assessed considering future economic benefit and/ or collection expected to flow to the Company over the period of time due to the conditions existing prior to the date of transition has been accounted on the transition date, leaving consequent impact on profitability for the year.
- e. Deferred Taxes are computed and recognised for temporary differences between carrying amount of an asset and liability in the balance sheet and tax base and consequent impact has been recognised in Statement of Profit and Loss.
- f. The Company has opted to restate all Business Combination after April 1, 2008 as required under Ind AS.
- g. Under Ind AS, capital reserve or goodwill arising on acquisition of subsidiaries have been disclosed separately, which were reflected net under previous GAAP.
- h. Other Ind AS Adjustments includes net reduction in Equity by ₹ 387 crore for consolidation of RCOM ESOS Trust as required under Ind AS and disclosed as Treasury Equity, net increase in Equity by ₹ 238 crore consequent to restatement of the financial statements of the subsidiaries of the Company under Ind AS based on

restated networth and liability for Non Controlling Interest. Further, it includes ₹ 251 crore on account of impact of Foreign Currency Translation for the year ended March 31, 2016, relating to Ind As adjustment on the date of transition. ₹ 33 crore is due to reversal of adjustments relating to Non Controlling Interest and other expenses.

- i. 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.

4. Pending formal confirmation by the lenders for waiver of certain loan covenants, the loan amount has been continued to be classified as non current liabilities.

5. 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	1,125*
Previous due date for Principal Repayment	Not Applicable	07.02.2017
Previous due date for payment of Interest	02.03.2017	07.03.2017
Whether paid #	Yes	Yes
Next due date for payment of interest	02.04.2017	07.04.2017
Credit Rating	ICRA BB	CARE BB
Due Date for Principal Repayment	01.03.2019	₹ 375 crore each due on 07.02.2018 and 07.02.2019

\* Installment of ₹ 375 crore due on 7<sup>th</sup> February, 2017 was paid on 10<sup>th</sup> April, 2017.

# Interest of ₹ 35.48 crore was paid on 10<sup>th</sup> April, 2017.

6. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 4,125 crore as on March 31, 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 ₹ 1,125 crore, the Company has also assigned Telecom Licences, 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. Debenture Redemption Reserve ( DRR ) : ₹ 590 crore as on March 31, 2017.

8. Net Worth : ₹ 27,479 crore, as on March 31, 2017.

9. 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".
10. Formula used for the computation of ratios: :
- Debt Equity Ratio = Debt/ Equity;
  - Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest, tax/ (Interest + Principal repayment);
  - Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/ Interest expense
11. In term of SEBI circular CIR/CFD/CMD/56/2016 dated May 27, 2016, the Parent company hereby declares that the auditors have issued audit reports with unmodified opinion on the annual audited consolidated financial result for the year ended March 31, 2017.
12. Figures for the quarter ended March 31, 2017 and March 31, 2016 are balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial years.
13. The Company has opted to publish consolidated financial results for the financial year 2016-17. Standalone financial results, for the quarter and year ended March 31, 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.
14. Additional information on standalone basis is as follows:

(₹ in Crore)

Particulars	Quarter ended			Year ended	
	31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
	Audited	Unaudited	Audited	Audited	
Total Income	2,018	2,258	2,694	9,154	10,314
Profit/ (Loss) before tax	(932)	(1,187)	387	(3,855)	(1,627)
Total Comprehensive Income	(94)	(280)	689	(1,797)	(380)

15. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on May 27, 2017.

For Reliance Communications Limited

Place: Mumbai  
Date : May 27, 2017

Anil D. Ambani  
Chairman