

Reliance Communications Limited

website: www.rcom.co.in

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

CIN-L45309MH2004PLC147531

Unaudited Financial Results (Standalone) for the Quarter and Nine Months ended December 31, 2016

(₹ in Crore)						
Sr. No.	Particulars	Quarter ended			Nine Months ended	
		31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1</b>	<b>Income from operations</b>					
	a) Net Income from Operations	2,185	2,212	2,449	6,879	7,387
	b) Other Operating Income	-	-	-	-	-
	<b>Total Income from Operations (net)</b>	<b>2,185</b>	<b>2,212</b>	<b>2,449</b>	<b>6,879</b>	<b>7,387</b>
<b>2</b>	<b>Expenses</b>					
	a) Access Charges	905	791	740	2,500	2,124
	b) License Fee	131	148	166	447	526
	c) Employee Cost	45	51	49	146	143
	d) Depreciation and Amortisation	645	408	513	1,390	1,475
	e) Other Expenses	1,114	1,177	1,303	3,748	3,787
	<b>Total Expenses</b>	<b>2,840</b>	<b>2,575</b>	<b>2,771</b>	<b>8,231</b>	<b>8,055</b>
<b>3</b>	<b>Profit/ (Loss) from Operations before Other Income, Finance Costs, Exceptional Items and Tax (1 - 2)</b>	<b>(655)</b>	<b>(363)</b>	<b>(322)</b>	<b>(1,352)</b>	<b>(668)</b>
4	Other Income	73	74	79	257	233
<b>5</b>	<b>Profit/ (Loss) before Finance Costs and Exceptional Items and Tax (3 + 4)</b>	<b>(582)</b>	<b>(289)</b>	<b>(243)</b>	<b>(1,095)</b>	<b>(435)</b>
6	Finance Costs (net)	605	593	538	1,828	1,579
<b>7</b>	<b>Profit / (Loss) after Finance Costs but before Exceptional Items and Tax (5 - 6)</b>	<b>(1,187)</b>	<b>(882)</b>	<b>(781)</b>	<b>(2,923)</b>	<b>(2,014)</b>
8	Exceptional Items	-	-	-	-	-
<b>9</b>	<b>Profit / (Loss) from ordinary activities before Tax (7 - 8)</b>	<b>(1,187)</b>	<b>(882)</b>	<b>(781)</b>	<b>(2,923)</b>	<b>(2,014)</b>
10	Tax Expenses (net)	(908)	(18)	(302)	(1,221)	(943)
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after Tax (9 - 10)</b>	<b>(279)</b>	<b>(864)</b>	<b>(479)</b>	<b>(1,702)</b>	<b>(1,071)</b>
12	Other comprehensive income (net of tax)	(1)	-	2	(1)	2
<b>13</b>	<b>Total Comprehensive Income (11 + 12)</b>	<b>(280)</b>	<b>(864)</b>	<b>(477)</b>	<b>(1,703)</b>	<b>(1,069)</b>
14	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,244	1,244	1,244
<b>15</b>	<b>Earning per Share (EPS) (not annualised)</b>					
	- Basic (Rs.)	(1.13)	(3.50)	(1.94)	(6.90)	(4.34)
	- Diluted (Rs.)	(1.13)	(3.50)	(1.94)	(6.90)	(4.34)

## 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 ₹ 244 crore and ₹ 628 crore during the quarter and nine months ended December 31, 2016 respectively, are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter and nine months ended on December 31, 2016 and consequently, no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. Also the Company has, as permitted under the said Schemes, adjusted additional depreciation and amortisation of ₹ 170 crore and ₹ 635 crore, arising on fair value of the assets, for the quarter and nine months ended on December 31, 2016 respectively by withdrawing an equivalent amount from General Reserve. These matters have been referred to by the Auditors in their Limited Review Report.
3. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 4,625 crore as on December 31, 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 Licenses 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.
4. Pursuant to execution of the Acquisition Agreement dated December 21, 2016 between the Company and Brookfield Infrastructure Group (Brookfield) in relation to transfer of Reliance Infratel Limited's (RITL's) nationwide tower business and related infrastructure to Brookfield, a Scheme of Arrangement (the Scheme) under Section 230 to 240 of the Companies Act, 2013 has been filed on January 30, 2017 with the Mumbai Bench of the National Company Law Tribunal ("NCLT") for demerger of Tower Business of Reliance Infratel Limited (RITL, a subsidiary) into another subsidiary namely Towercom Infrastructure Private Limited (Towercom), which on transfer thereof upon completion of the said Scheme will be wholly owned and independently managed by affiliates of Brookfield. The consideration subject to

adjustment as per the Acquisition Agreement shall be discharged by issue of Non Convertible Debentures of the face value of ₹ 6,900 crore and Redeemable Preference Shares of the face value of ₹ 100 crore plus takeover of debt of upto ₹ 4,000 crore. Also, in accordance with the Share Subscription Agreement dated December 21, 2016, the Company will be entitled to subscribe by itself or through eligible nominees to specified shares of Towercom which based on certain conditions will entitle the holder of the said shares to 49% of the future economic upside from the said Tower Business. Considering that the Agreements are subject to various conditions precedent, no effect is given to these agreements and Scheme in the Accounts.

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 nine months ended December 31, 2015 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 nine months ended December 31, 2015 as previously reported and as per Ind AS is as follows:

Sr.	Adjustments to Increase/ (Decrease) in Net Profit	Amount (₹ in crore)	
		Quarter ended December 31, 2015	Nine months ended December 31, 2015
1	Net profit as previously reported as per Indian GAAP	(769)	(2,025)
2	Restatement of Revenue	2	12
3	Impact on Depreciation	5	15
4	Fair Valuation impact of Financial Instruments	(12)	(15)
5	Deferred Tax Credit	302	943
6	Others	(7)	(1)
7	Net Profit before Other Comprehensive Income as per Ind AS	(479)	(1,071)

6. The Company has identified geographic segment as primary segment. As a result, the Company has single geographical segment as "India Operations". Hence, no separate disclosure of segment information in line with Ind AS 108 "Operating Segments" is required.
7. Provision for Income Tax for the quarter and period ended December 31, 2016 is based on the estimate for the full financial year.

8. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on February 11, 2017 and the financial results for the quarter and nine months ended December 31, 2016 have been subjected to limited review by the Statutory Auditors of the Company.

**For Reliance Communications Limited**

Place: Mumbai  
Date : February 11, 2017

**Anil D. Ambani**  
**Chairman**