

**Reliance Communications Limited**

website: www.rcom.co.in

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

CIN-L45309MH2004PLC147531

**Audited Financial Results (Standalone) 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	1,944	2,185	2,606	8,823	9,993
	(b) Other Income	74	73	88	331	321
	<b>(c) Total Income [a + b]</b>	<b>2,018</b>	<b>2,258</b>	<b>2,694</b>	<b>9,154</b>	<b>10,314</b>
<b>2</b>	<b>Expenses</b>					
	(a) Access Charges, License Fees and Network Expenses	1,646	1,957	1,046	7,506	6,965
	(b) Employee Benefits Expenses	41	45	47	187	190
	(c) Finance Costs	581	605	470	2,409	2,049
	(d) Depreciation, Amortisation and Provision for Impairment	582	645	539	1,972	2,014
	(e) Sales and General Administration Expenses	100	193	205	935	723
	<b>(f) Total Expenses [(a) to (e)]</b>	<b>2,950</b>	<b>3,445</b>	<b>2,307</b>	<b>13,009</b>	<b>11,941</b>
<b>3</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]</b>	<b>(932)</b>	<b>(1,187)</b>	<b>387</b>	<b>(3,855)</b>	<b>(1,627)</b>
4	Exceptional Items	-	-	-	-	-
<b>5</b>	<b>Profit/ (Loss) before Tax [3 - 4]</b>	<b>(932)</b>	<b>(1,187)</b>	<b>387</b>	<b>(3,855)</b>	<b>(1,627)</b>
<b>6</b>	<b>Tax expenses</b>					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax charge/ (credit)	(838)	(908)	(305)	(2,059)	(1,248)
<b>7</b>	<b>Profit/ (Loss) after Tax [5 -6 ]</b>	<b>(94)</b>	<b>(279)</b>	<b>692</b>	<b>(1,796)</b>	<b>(379)</b>
8	Other Comprehensive Income for the period	-	(1)	(3)	(1)	(1)
<b>9</b>	<b>Total Comprehensive Income for the period</b>	<b>(94)</b>	<b>(280)</b>	<b>689</b>	<b>(1,797)</b>	<b>(380)</b>
<b>10</b>	<b>Earning per Share (EPS) (before or after exceptional items)</b>					
	(a) Basic (Rs.)	(0.38)	(1.13)	2.80	(7.28)	(1.54)
	(b) Diluted (Rs.)	(0.38)	(1.13)	2.80	(7.28)	(1.54)
<b>11</b>	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,244	1,244	1,244
<b>12</b>	Debt Equity Ratio (Refer Note 10)				1.53	1.27
<b>13</b>	Debt Service Coverage Ratio (DSCR) (Refer Note 10)				0.07	0.35
<b>14</b>	Interest Service Coverage Ratio (ISCR) (Refer Note 10)				0.25	1.35

Statement of Assets and Liabilities		(₹ in crore)	
		As at	
	Particulars	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	14,751	14,759
	(b) Capital Work in Progress	1,130	709
	(c) Intangible Assets	13,797	11,443
	(d) Intangible assets under development	66	7,261
	(e) Investment in Subsidiaries and Associates	17,090	17,090
	(f) Financial Assets		
	(i) Loans	-	2,719
	(ii) Other Financial Assets	72	47
	(g) Income Tax Assets (net)	227	249
	(h) Deferred Tax Assets (net)	3,558	1,498
	(i) Other Non Current Assets	5,167	5,522
	<b>Sub-total Non-Current Assets</b>	<b>55,858</b>	<b>61,297</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	108	119
	(b) Financial Assets		
	(i) Investments	4,599	4,712
	(ii) Trade Receivables	1,636	1,177
	(iii) Cash and Cash Equivalents	455	131
	(iv) Bank balances other than (iii) above	188	661
	(v) Loans	6,215	1,201
	(vi) Other Financial Assets	385	719
	(c) Other Current Assets	4,445	4,043
	<b>Sub-total - Current Assets</b>	<b>18,031</b>	<b>12,763</b>
	<b>Total Assets</b>	<b>73,889</b>	<b>74,060</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	22,840	26,206
	<b>Total Equity</b>	<b>24,084</b>	<b>27,450</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings (Refer Note 5)	18,629	24,334
	(ii) Deferred Payment Liabilities	1,407	1,374
	(iii) Other Financial Liabilities	269	156
	(b) Other Non - Current Liabilities	87	2,958
	(c) Provisions	31	23
	<b>Sub-total Non-Current Liabilities</b>	<b>20,423</b>	<b>28,845</b>
	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	7,928	3,656
	(ii) Trade Payables	2,435	3,877
	(iii) Other Financial Liabilities	17,131	8,177
	(b) Other Current Liabilities	666	833
	(c) Provisions	1,222	1,222
	<b>Sub-total - Current Liabilities</b>	<b>29,382</b>	<b>17,765</b>
	<b>Total Equity and Liabilities</b>	<b>73,889</b>	<b>74,060</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 ₹ 51 crore and ₹ 679 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 amortisation 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 / (Loss) as previously reported as per Indian GAAP	31,054	401	(1,624)	
2	Fair Valuation/ Restatement of Property, Plant and Equipment including Intangibles	(5,297)	(10)	5	a
3	Restatement of Revenue and related Cost	(201)	8	17	b
4	Fair Valuation of Financial Instruments	(65)	(2)	(18)	c
5	Receivables assessed for future economic benefit and/ or collection expected to flow	(396)	4	(8)	d
6	Deferred Taxes	1,498	305	1,248	e
7	Other Ind AS Adjustments	(387)	(14)	1	f
8	Other Equity / Net Profit before Other Comprehensive Income (OCI) as per Ind AS	26,206	692	(379)	

- 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 ₹ 329 crore and net decrease in value of Plant and Machinery by ₹ 3,222 crore Intangibles being CDMA (Telecom) Spectrum by ₹ 2,404 crore resulting in net decrease in retained earnings by ₹ 5,297 crore and consequent decrease in depreciation for the quarter and year ended by ₹ (10) crore and ₹ 5 crore respectively.
- b. Revenue 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 ₹ 222 crore along with reversal of corresponding License Fees of ₹ 21 crore as at March 31, 2016. Consequently revenue and license fees have increased by ₹ 9 crore and ₹ 1 crore respectively for the quarter and by ₹ 19 crore and ₹ 2 crore respectively for the year.
- c. Fair valuation impact of ₹ 65 crore on borrowings as at March 31, 2016. Corresponding reduction of profitability by ₹ 2 crore and ₹ 18 crore for the quarter and year ended March 31, 2016.
- d. Increase in provision for trade 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. 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.
- g. Other Comprehensive Income also comprises of actuarial gains and losses on employee Benefits.

4. 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 Rs. 375 crore due on 7<sup>th</sup> February, 2017 was paid on 10<sup>th</sup> April, 2017.

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

5. 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.
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 : ₹ 24,084 crore, as on March 31, 2017.
- Includes ₹ 10,927 crore created pursuant to the Scheme of Amalgamation approved by High court which shall for all regulatory purposes be considered to be part of owned funds / Net worth of the Company.

9. The Company has identified geographic segment as primary segments. 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.
10. 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).
11. Figures for the quarter ended March 31, 2017 and March 31, 2016 are balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year.
12. 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**