

Reliance Communications Limited

website: www.rcom.co.in

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

CIN - L45309MH2004 PLC147531

Unaudited Financial Results (Standalone) for the Quarter and Half year ended September 30, 2017

(₹ in Crore)							
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from Operations	1,275	1,643	2,212	2,918	4,694	8,823
	(b) Other Income	124	64	74	188	184	331
	(c) Total Income [(a) + (b)]	1,399	1,707	2,286	3,106	4,878	9,154
2	Expenses						
	(a) Access Charges, Licence Fees and Network Expenses	1,582	1,738	1,897	3,320	3,903	7,506
	(b) Employee Benefits Expenses	33	33	51	66	101	187
	(c) Finance Costs	790	709	593	1,499	1,223	2,409
	(d) Depreciation , Amortisation and Provision for Impairment	581	566	408	1,147	745	1,972
	(e) Sales and General Administration Expenses	290	234	219	524	642	935
	(f) Total Expenses [(a) to (e)]	3,276	3,280	3,168	6,556	6,614	13,009
3	Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]	(1,877)	(1,573)	(882)	(3,450)	(1,736)	(3,855)
4	Exceptional Items	-	-	-	-	-	-
5	Profit/ (Loss) before Tax [3 - 4]	(1,877)	(1,573)	(882)	(3,450)	(1,736)	(3,855)
6	Tax Expenses						
	(a) Current Tax	-	-	-	-	-	-
	(b) Deferred Tax Charge/ (Credit)	-	(610)	(18)	(610)	(313)	(2,059)
7	Profit/ (Loss) after Tax [5 - 6]	(1,877)	(963)	(864)	(2,840)	(1,423)	(1,796)
8	Other Comprehensive Income/ (Expense) for the period	(1)	1	-	-	-	(1)
9	Total Comprehensive Income / (loss) for the period [7 + 8]	(1,878)	(962)	(864)	(2,840)	(1,423)	(1,797)
10	Earnings per Share (EPS) (before and after exceptional items)						
	(a) Basic (Rs.)	(7.61)	(3.90)	(3.47)	(11.51)	(5.72)	(7.28)
	(b) Diluted (Rs.)	(7.61)	(3.90)	(3.47)	(11.51)	(5.72)	(7.28)
11	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,244	1,244	1,244	1,244
12	Other Equity (Excluding Revaluation Reserve)						22,840
13	Debt Equity Ratio (Refer Note 10)				1.68	1.39	1.53
14	Debt Service Coverage Ratio (DSCR) (Refer Note 10)				(0.27)	0.08	0.07
15	Interest Service Coverage Ratio (ISCR) (Refer Note 10)				(0.58)	0.21	0.25

Standalone Statement of Assets and Liabilities		(₹ in Crore)	
	Particulars	As at	As at
		30-Sep-17	31-Mar-17
		Unaudited	Audited
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	15,116	14,751
	(b) Capital Work in Progress	377	1,130
	(c) Intangible Assets	12,832	13,797
	(d) Intangible assets under development	68	66
	(e) Investment in subsidiaries and Associates	17,090	17,090
	(f) Financial Assets		
	(i) Other Financial Assets	48	72
	(g) Income Tax Asset (net)	237	227
	(h) Deferred Tax Asset (net)	4,168	3,558
	(i) Other Non Current Assets	941	5,167
	Sub-total Non-Current Assets	50,877	55,858
2	Current Assets		
	(a) Inventories	104	108
	(b) Financial Assets		
	(i) Investments	4,614	4,599
	(ii) Trade Receivables	1,889	1,636
	(iii) Cash and Cash Equivalents	96	455
	(iv) Bank Balances other than (iii) above	75	188
	(v) Loans	2,563	6,215
	(vi) Other Financial Assets	330	385
	(c) Other Current Assets	4,750	4,445
	Sub-total - Current Assets	14,421	18,031
	Total Assets	65,298	73,889
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	1,244	1,244
	(b) Other Equity	19,694	22,840
	Total Equity	20,938	24,084
	LIABILITIES		
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	15,487	18,629
	(ii) Deferred Payment Liabilities	1,407	1,407
	(iii) Other Financial Liabilities	347	269
	(b) Other Non-Current Liabilities	84	87
	(c) Provisions	26	31
	Sub-total Non-Current Liabilities	17,351	20,423
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	7,789	7,928
	(ii) Trade Payables	2,779	2,435
	(iii) Other Financial Liabilities	14,393	17,131
	(b) Other Current Liabilities	827	666
	(c) Provisions	1,221	1,222
	Sub-total - Current Liabilities	27,009	29,382
	Total Equity and Liabilities	65,298	73,889

Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. 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 amortization of the balance in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and depreciation consequent to addition of exchange differences to the cost of capitalized assets aggregating to ₹ 171 crore and ₹ 330 crore during the quarter and half year ended September 30, 2017 respectively, are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter and half year ended September 30, 2017 and consequently no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. This matter has been referred to by the Auditors in their Limited Review Report. Consequently, reported Other Equity, Current Liabilities, Property, Plant and Equipment and Current Assets would have been ₹ 19,464 crore, ₹ 27,025 crore, ₹ 14,899 crore and ₹ 14,455 crore respectively as at September 30, 2017. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortization of ₹ 141 crore and ₹ 280 crore, arising on fair value of certain assets, for the quarter and half year ended on September 30, 2017 respectively by withdrawing an equivalent amount from General Reserve.
3. The Company had received final approval from the Department of Telecommunications (DOT), vide letter dated October 20, 2017, in the matter of demerger ("the Scheme") i. e. transfer and vesting of Wireless Telecom Business Undertaking ("the Transferred Undertaking") of Sistema Shyam Teleservices Limited (SSTL) into the Company. In terms of the said Scheme as sanctioned by Hon'ble High Court of Judicature at Bombay and Hon'ble Rajasthan High Court at Jaipur, vide their Orders dated October 7, 2016 and September 30, 2016 respectively, the Company has allotted 27,65,53,305 Equity Shares of Rs. 5 each fully paid up to SSTL, constituting 10% of the fully diluted Equity Share Capital of the Company. As the Effective Date, being October 31, 2017, the accounting effects pursuant to the said Scheme shall be considered in next quarter.
4. The Company has been engaged with Joint Lenders' Forum (JLF), constituted on June 2, 2017, to finalise an overall debt resolution plan including conversion by lenders of debt into equity under the Strategic Debt Restructuring Scheme (SDR Scheme) for the Company and its two subsidiaries, RTL and RITL. Consequently, standstill on the Company's debt servicing obligations for a period of 18 months till December, 2018 has become effective. Financial impact of the transactions pertaining to debt resolution plan shall be determined on completion thereof and accordingly, necessary accounting effects of impact shall be considered. Pending finalization of the resolution plan, accounts have been prepared on going concern basis. This matter has been referred to by the Auditors in their Limited Review Report.

5. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 3,750 crore as on September 30, 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 ₹ 750 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.
6. 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	750
Previous due date for Principal Repayment and whether paid	Not Applicable	07.02.2017 paid on 10.04.2017
Previous due date for payment of Interest	02.11.2017	07.11.2017
Whether Interest was paid on the due date	No	No
Next due date for payment of interest	02.12.2017	07.12.2017
Credit Rating and change in credit rating, if any	ICRA D earlier ICRA BB	CARE D earlier CARE BB
Due Date for Principal Repayment	01.03.2019	₹ 375 crore on each dates 07.02.2018 and 07.02.2019

7. Debenture Redemption Reserve (DRR): ₹ 590 crore as on September 30, 2017.
8. Net Worth : ₹ 20,938 crore, as on September 30, 2017.
- Includes ₹ 10,647 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. Disclosure as per Ind AS 108 "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.
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. Provision for Income Tax for the quarter and half year ended September 30, 2017 is based on the estimate for the full 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 November 11, 2017 and the financial results for the Quarter and half year ended September 30, 2017 is subjected to limited review by the Statutory Auditor of the Company.

For **Reliance Communications Limited**

Place: Mumbai
Date : November 11, 2017

Punit Garg
Executive Director