

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 (Consolidated) for the quarter and half year ended September 30, 2018

(₹ in Crore)							
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from Operations	977	1,006	1,133	1,983	2,500	4,593
	(b) Other Income	37	2	19	39	32	91
	(c) Total Income [(a) + (b)]	1,014	1,008	1,152	2,022	2,532	4,684
2	Expenses						
	(a) Access Charges, Licence Fees and Network Expenses	587	598	665	1,185	1,592	2,822
	(b) Employee Benefits Expenses	115	110	101	225	209	427
	(c) Finance Costs	51	50	51	101	102	186
	(d) Depreciation, Amortisation and Provision for Impairment	210	198	176	408	375	721
	(e) Sales and General Administration Expenses	173	164	148	337	243	536
	(f) Total Expenses [(a) to (e)]	1,136	1,120	1,141	2,256	2,521	4,692
3	Profit/ (Loss) before Share of Profit/ (Loss) of Associates, Exceptional Items and Tax [1 (c) - 2 (f)]	(122)	(112)	11	(234)	11	(8)
4	Share of Profit / (Loss) of Associates	2	1	1	3	1	5
5	Profit/ (Loss) before Exceptional Items and Tax [3 + 4]	(120)	(111)	12	(231)	12	(3)
6	Exceptional Items (Refer Note 5)	2,392	-	-	2,392	-	-
7	Profit/ (Loss) before Tax [5 + 6]	2,272	(111)	12	2,161	12	(3)
8	Tax Expenses						
	(a) Current Tax	11	-	2	11	3	4
	(b) Deferred Tax Charge/ (Credit) (net) (including MAT)	955	(1)	(11)	954	(24)	12
	(c) Tax Expenses (net) [(a) + (b)]	966	(1)	(9)	965	(21)	16
9	Profit/ (Loss) after Tax [7 - 8]	1,306	(110)	21	1,196	33	(19)
10	Profit/ (Loss) before Tax and Exceptional Items from Discontinued Operations	(174)	(232)	(2,832)	(406)	(4,471)	(4,556)
11	Exceptional Items						
	Provision for Impairment of Assets	-	-	-	-	-	(21,255)
12	Profit/ (Loss) before Tax from Discontinued Operations [10-11]	(174)	(232)	(2,832)	(406)	(4,471)	(25,811)
13	Tax Expenses of Discontinued Operations	(9)	1	(102)	(8)	(519)	(1,923)
14	Profit/ (Loss) after Tax from Discontinued Operations [12-13]	(165)	(233)	(2,730)	(398)	(3,952)	(23,888)
15	Other Comprehensive Income for the period	154	145	9	299	(15)	(43)
16	Total Comprehensive Income for the period [9 + 14 + 15]	1,295	(198)	(2,700)	1,097	(3,934)	(23,950)
17	Profit/ (Loss) for the period attributable to						
	(a) Equity holders of the company	1,141	(342)	(2,712)	799	(3,933)	(23,839)
	(b) Non Controlling Interest	-	(1)	3	(1)	14	(68)
18	Total Comprehensive Income/ (Loss) attributable to						
	(a) Equity holders of the company	1,295	(197)	(2,703)	1,098	(3,948)	(23,882)
	(b) Non Controlling Interest	-	(1)	3	(1)	14	(68)
19	Earnings per Share (EPS) (Basic and Diluted) (Rs.)						
	(before exceptional items)						
	(a) Continuing Operations	(0.45)	(0.40)	0.09	(0.86)	0.13	(0.07)
	(b) Discontinued Operations	(0.60)	(0.85)	(11.07)	(1.44)	(16.07)	(9.93)
	(c) Continuing and Discontinued Operations	(1.05)	(1.25)	(10.98)	(2.30)	(15.94)	(10.00)
	(after exceptional items)						
	(a) Continuing Operations	4.76	(0.40)	0.09	4.36	0.13	(0.07)
	(b) Discontinued Operations	(0.60)	(0.85)	(11.07)	(1.44)	(16.07)	(92.22)
	(c) Continuing and Discontinued Operations	4.16	(1.25)	(10.98)	2.92	(15.94)	(92.29)
20	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,244	1,383	1,244	1,383
21	Debt Equity Ratio (Refer Note 11)				12.32	1.91	16.97
22	Debt Service Coverage Ratio (DSCR) (Refer Note 11)				-	0.02	-
23	Interest Service Coverage Ratio (ISCR) (Refer Note 11)				-	0.04	-

Segment wise Revenue, Results , Segment Assets and Segment Liabilities						(₹ in Crore)	
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	(a) India Operation	436	482	645	918	1,482	2,534
	(b) Global Operation	661	630	680	1,291	1,520	2,933
	(c) Total [(a) + (b)]	1,097	1,112	1,325	2,209	3,002	5,467
	(d) Less: Inter segment revenue	(83)	(104)	(173)	(187)	(470)	(783)
	(e) Income from Operations [(c) - (d)]	1,014	1,008	1,152	2,022	2,532	4,684
2	Segment Results						
	Profit / (Loss) before Tax and Finance Cost from each segment						
	(a) India Operation	(41)	(37)	64	(78)	181	220
	(b) Global Operation	(30)	(25)	(2)	(55)	(68)	(42)
	(c) Total [(a) + (b)]	(71)	(62)	62	(133)	113	178
	(d) Less : Finance Costs (net)	51	50	51	101	102	186
	(e) Add : Exceptional Items	2,392	-	-	2,392	-	-
	Total Profit before Tax and share in Profit / (Loss) of Associate	2,270	(112)	11	2,158	11	(8)
	Total Profit/ (Loss) before Tax from Discontinued Operations	(174)	(232)	(2,832)	(406)	(4,471)	(25,811)
3	Segment Assets						
	(a) India Operation	55,174	62,174	80,976	55,174	80,976	60,827
	(b) Global Operation	12,655	12,027	11,811	12,655	11,811	11,645
	(c) Others/ Unallocable (net of Eliminations)	9,994	2,059	3,322	9,994	3,322	2,106
	(d) Total [(a) to (c)]	77,823	76,260	96,109	77,823	96,109	74,578
4	Segment Liabilities						
	a) India Operation	20,301	18,494	16,470	20,301	16,470	17,734
	b) Global Operation	6,722	6,410	6,224	6,722	6,224	6,291
	c) Others/ Unallocable (net of Eliminations)	(1,286)	37	2,374	(1,286)	2,374	203
	(d) Total [(a) to (c)]	25,737	24,941	25,068	25,737	25,068	24,228

Consolidated Statement of Assets and Liabilities		(₹ in Crore)	
	Particulars	As at	As at
		30-Sep-18	31-Mar-18
		Unaudited	Audited
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	10,695	16,501
	(b) Capital Work in Progress	239	265
	(c) Goodwill	3,520	3,549
	(d) Other Intangible Assets	819	789
	(e) Intangible Assets under Development	40	-
	(f) Investment in Associates	29	21
	(g) Financial Assets		
	(i) Investments	10,209	11
	(ii) Other Financial Assets	170	173
	(h) Deferred Tax Asset (net)	1,485	3,574
	(i) Income Tax Asset (net)	663	579
	(j) Other Non Current Assets	3,468	3,657
	Sub-total Non-Current Assets	31,337	29,119
2	Current Assets		
	(a) Inventories	83	79
	(b) Financial Assets		
	(i) Trade Receivables	2,240	2,133
	(ii) Cash and Cash Equivalents	640	611
	(iii) Bank Balances other than (ii) above	184	129
	(iv) Other Financial Assets	160	156
	(c) Other Current Assets	6,058	5,517
	(d) Asset held for sale	37,121	36,834
	Sub-total - Current Assets	46,486	45,459
	Total Assets	77,823	74,578
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	1,383	1,383
	(b) Other Equity	2,501	1,400
	Equity Attributable to Shareholders	3,884	2,783
	Non-Controlling Interest	335	332
	Total Equity	4,219	3,115
	LIABILITIES		
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9,365	13,021
	(b) Deferred Revenue	3,093	2,926
	(c) Other Non-Current Liabilities	83	83
	(d) Deferred Tax Liabilities (net)	1,288	2,517
	(e) Provisions	447	438
	Sub-total Non-Current Liabilities	14,276	18,985
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	23,388	23,242
	(ii) Trade Payables		
	Due to Micro Enterprises and Small Enterprises	109	103
	Due to Others	4,632	4,765
	(iii) Other Financial Liabilities	16,671	12,773
	(b) Deferred Revenue	2,588	2,353
	(c) Other Current Liabilities	4,469	1,293
	(d) Income Tax Liabilities (net)	2	13
	(e) Provisions	1,251	1,237
	(f) Liabilities directly related to Assets held for Sale	6,218	6,699
	Sub-total - Current Liabilities	59,328	52,478
	Total Equity and Liabilities	77,823	74,578

Notes:

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. Pursuant to strategic transformation programme, as a part of Monetization and Resolution Plan of the Company under consideration, inter alia of the Lenders, the Company and its subsidiary companies; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), with the permission of and on the basis of suggestions of the Lenders, had for monetization of some specified Assets, entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs) [“Identified Assets]. Further, the Company has also entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited for sale of its subsidiary company having DTH Business. The Company and its said subsidiaries expect to close these transactions in a phased manner. In the meanwhile, Hon'ble National Company Law Tribunal (NCLT), Mumbai had, overruling the objections of the Company as also its lenders represented by State Bank of India, the lead member, vide its order dated May 15, 2018 admitted applications filed by an operational creditor for its claims against the Company and its subsidiaries; RTL and RITL and thereby admitted the companies to debt resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC). As a consequence, Interim Resolution Professionals (IRPs) were appointed vide NCLT orders dated May 18, 2018. The Company along with the support of the lenders filed an appeal with National Company Law Appellate Tribunal (NCLAT) challenging the said order of the NCLT and the Hon'ble NCLAT, vide its order dated May 30, 2018, has on the basis of a settlement between the Company and the operational creditor stayed the order passed by the NCLT. Consequently, the Board of Directors of the respective companies stood reinstated. The Company also filed a writ Petition before the Hon'ble Supreme Court to release the Company from the Corporate Insolvency Resolution Process (CIRP). In an interim order in the said writ Petition, which is pending, the Supreme Court, vide its order dated August 3, 2018, has permitted the Company to proceed with the sale of the Identified Assets. On account of delay in completing the sale of certain spectrum not forming part of the Identified Assets, the Company applied to the Supreme Court seeking extension of time for making payment of the settlement amount to the operational creditor. The Supreme Court vide its order dated October 23, 2018 has allowed the Company to pay dues to the operational creditor on or before December 15, 2018. Further, the petition filed by the minority shareholders holding 4.26% stake in RITL, before the NCLT under Section 230 of the Companies Act, 2013 (Section 397-398 of the Companies Act, 1956), stood dismissed as withdrawn vide NCLT order dated July 3, 2018. Consequently, the interim stay granted by the NCLT on the implementation of the resolution approving the sale of the assets of RITL no more survives. The Company is confident that it will fulfill its commitments in respect of settlements with the operational creditor and the minority shareholders as well as finalise and implement a suitable Comprehensive Monetisation and Resolution Plan (MRP), also incorporating strategic transformation programme. On finalisation and implementation of the MRP, the Company will carry out a comprehensive impairment review of its fixed assets, investments and other assets. Considering these developments, the financial results continue to be prepared on going concern basis. This matter has been referred to by the Auditors in their Limited Review Report.

3. The assets pertaining to discontinued operations referred to in Note 2 above, along with liabilities have been classified as assets held for sale and disclosed separately as discontinued operations in line with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”. Assets held for sale are recorded at lower of carrying amount and fair value less cost as per Ind AS 105.

The financial result of discontinued operations is as under:

(₹ in Crore)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	563	520	1,515	1,083	3,726	4,799
Profit/ (Loss) before tax	(174)	(232)	(2,832)	(406)	(4,471)	(25,811)
Profit/ (Loss) after tax	(165)	(233)	(2,730)	(398)	(3,952)	(23,888)

4. Considering all factors including admission of the companies to debt resolution process under the IBC and the Company's Comprehensive Monetisation and Resolution Plan (MRP) submitted to the lenders, for overall debt resolution including interest and fixation of exchange rate for determining the foreign currency loans, the Company and its subsidiary companies, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and the principal rupee amount in respect of foreign currency denominated loans, without implying in any way that the terms of lending by the banks and other lenders are altered, has not provided interest of ₹ 1,075 crore and ₹ 2,115 crore for the quarter and half year ended September 30, 2018 respectively and foreign exchange losses including amortization of Foreign Currency Monetary Items Translation Difference Account (FCMITDA) aggregating to ₹ 1,014 crore and ₹ 1,761 crore for the quarter and half year ended September 30, 2018, respectively. Had the Company provided Interest and foreign exchange losses, the Profit would have been lower by ₹ 2,089 crore and ₹ 3,876 crore for the quarter and half year ended September 30, 2018. The Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018 for non provision of interest of ₹ 3,609 crore. Further, the auditors have drawn qualification for non provision of interest and foreign exchange variations in their Limited Review Report for the quarter and half year ended September 30, 2018. However, pending final approval of the MRP and considering all the facts and circumstances, the likely impact on the Company's financial position is not ascertainable at this stage.
5. The Company is in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Company's real estate development plan and restructuring of Debt. As required by the lenders and also to safeguard the development of real estate, the

business taken up by Reliance Realty Limited (RRL), a subsidiary of the Company, it is necessary that control of RRL is conferred on ADA Group. Accordingly in order to align the above, Memorandum and Articles of Association of RRL has been amended as per the provisions of the Companies Act 2013 and other applicable provisions of law. Consequently, for the purpose of and as per requirement of Ind AS 110 "Consolidated Financial Statement", Assets and Liabilities pertaining to RRL have been derecognized and Investment in RRL by the Company, has been accounted at fair value, as per Ind AS 109 "Financial Instruments", and represented as Exceptional Items. Impact on profitability net of tax is ₹ 1,430 crore.

6. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 3,750 crore as on September 30, 2018 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 Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.

7. 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	07.02.2018 unpaid
Previous due date for payment of Interest	02.09.2018	07.09.2018
Whether Interest was paid on the due date	No	No
Next due date for payment of interest	02.10.2018	07.10.2018
Credit Rating and change in credit rating, if any	ICRA D	CARE D
Due Date for Principal Repayment	01.03.2019	₹ 375 crore on each dates 07.02.2018 (Unpaid) and 07.02.2019

8. Debenture Redemption Reserve (DRR) : ₹ 590 crore as on September 30, 2018.

9. Net Worth : ₹ 749 crore, as on September 30, 2018.

10. 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".

11. 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).
12. The Company has opted to publish consolidated financial results for the financial year 2018-19. Standalone financial results, for the quarter and half year ended September 30, 2018 can be viewed on the website of the Company, National Stock Exchange of India Limited and BSE Limited at www.rcom.co.in, www.nseindia.com and www.bseindia.com respectively.
13. Additional information on standalone basis is as follows:

(₹ in Crore)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	359	404	573	763	1,327	2,231
Profit/ (Loss) before tax	8,886	(41)	42	8,845	40	64
Total Comprehensive Income	6,707	(142)	(1,878)	6,565	(2,840)	(9,867)

14. Provision for Income Tax for the quarter and half year ended September 30, 2018 is based on estimate for the full financial year.
15. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on November 3, 2018 and the financial results for the quarter and half year ended September 30, 2018 have been subjected to limited review by the Statutory Auditors of the Company.

For Reliance Communications Limited

Place : Mumbai
Date : November 3, 2018

Punit Garg
Executive Director