

**Reliance Communications Limited**

website: [www.rcom.co.in](http://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 ended June 30, 2018**

(₹ in Crore)					
Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
		Unaudited	Audited	Unaudited	Audited
<b>1</b>	<b>Income</b>				
	(a) Revenue from Operations	404	407	754	2,231
	(b) Other Income	-	-	-	-
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>404</b>	<b>407</b>	<b>754</b>	<b>2,231</b>
<b>2</b>	<b>Expenses</b>				
	(a) Access Charges, Licence Fees and Network Expenses	288	278	633	1,631
	(b) Employee Benefits Expenses	9	8	7	28
	(c) Finance Costs	-	-	-	-
	(d) Depreciation, Amortisation and Provision for Impairment	57	51	55	200
	(e) Sales and General Administration Expenses	91	95	61	308
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>445</b>	<b>432</b>	<b>756</b>	<b>2,167</b>
<b>3</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]</b>	<b>(41)</b>	<b>(25)</b>	<b>(2)</b>	<b>64</b>
4	Exceptional Items	-	-	-	-
<b>5</b>	<b>Profit / (Loss) before Tax [ 3 - 4 ]</b>	<b>(41)</b>	<b>(25)</b>	<b>(2)</b>	<b>64</b>
<b>6</b>	<b>Tax Expenses</b>				
	(a) Current Tax	-	-	-	-
	(b) Short/(Excess) provision of earlier years	-	-	-	1
	(c) Deferred Tax Charge/ (Credit)	-	30	(30)	-
	<b>(d) Tax Expenses (net) [ (a) to (c) ]</b>	<b>-</b>	<b>30</b>	<b>(30)</b>	<b>1</b>
<b>7</b>	<b>Profit/ (Loss) after Tax [ 5 - 6 ]</b>	<b>(41)</b>	<b>(55)</b>	<b>28</b>	<b>63</b>
8	Profit/ (Loss) before Tax and Exceptional Items from Discontinued Operations	(101)	704	(1,571)	(2,978)
9	Exceptional Items	-	-	-	-
	Provision for Impairment of Assets / Diminution in the value of Investments	-	6,955	-	6,955
10	Profit/ (Loss) before Tax from Discontinued Operations [ 8-9 ]	(101)	(6,251)	(1,571)	(9,933)
11	Tax Expenses of Discontinued Operations	-	580	(580)	-
12	<b>Profit/ (Loss) after Tax from Discontinued Operations [10-11]</b>	<b>(101)</b>	<b>(6,831)</b>	<b>(991)</b>	<b>(9,933)</b>
13	Other Comprehensive Income for the period	-	3	1	3
14	<b>Total Comprehensive Income / (loss) for the period [ 7+ 12 + 13 ]</b>	<b>(142)</b>	<b>(6,883)</b>	<b>(962)</b>	<b>(9,867)</b>
<b>15</b>	<b>Earnings per Share (EPS) (after exceptional items) Basic and Diluted (Rs.)</b>				
	(a) Continuing Operations	(0.15)	0.20	0.11	0.24
	(b) Discontinued Operations	(0.37)	(24.89)	(4.02)	(38.46)
	(c) Continuing and Discontinued Operations	(0.52)	(24.69)	(3.91)	(38.22)
16	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,244	1,383
17	Other Equity (Excluding Revaluation Reserve)				7,933

## Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. The listed Redeemable Non Convertible Debentures (NCDs) of the Company aggregating to ₹ 3,750 crore as on June 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 Agreements with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
3. 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). 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 Hon'ble 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 stayed the order passed by NCLT. Consequently, the Board of Directors of the respective companies stood reinstated. 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 NCLT on the implementation of the resolution approving the sale of the assets of RITL no more survives. The Company is confident that a suitable debt resolution plan would be formulated along with its lenders as per the strategic transformation programme. 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.

4. The assets pertaining to discontinued operations referred to in Note 3 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 to sell as per Ind AS 105. The financial result of discontinued operations is as under:

(₹ in crore)

Particulars	Quarter ended			Year ended
	30-Jun-2018	31-Mar-2018	30-Jun-2017	31-Mar-2018
	Unaudited	Audited	Unaudited	Audited
Total Income	7	29	953	2,045
Profit/ (Loss) before tax	(101)	(6,251)	(1,571)	(9,933)
Profit/ (Loss) after tax	(101)	(6,831)	(991)	(9,933)

5. Considering all factors including admitting the companies to debt resolution process and request of the Company for waiver of interest and for determining the foreign currency loans at the exchange rate prevailing on the date of entering into binding agreements for the sale of assets, the Company, 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 ₹ 909 crore and foreign exchange losses including amortization of Foreign Currency Monetary Items Translation Difference Account aggregating to ₹ 597 crore during the quarter under review. Had the Company provided Interest and foreign exchange losses, the Loss would have been higher by ₹ 1,506 crore for the quarter ended June 30, 2018. The Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018 for non provision of interest. Further, the auditors have drawn qualification for non provision of interest and foreign exchange variations in their Limited Review Report for the quarter ended June 30, 2018. However, impact is likely to be nil if requests of the Company are accepted by the lenders.
6. 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.

7. Provision for Income Tax for the quarter ended June 30, 2018 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 July 18, 2018 and the financial results for the quarter ended June 30, 2018 is subjected to limited review by the Statutory Auditors of the Company.

**For Reliance Communications Limited**

**Punit Garg  
Executive Director**

Place: Mumbai  
Date : July 18, 2018