

Reliance Communications Limited  
Anil Dhirubhai Ambani Group  
website: www.rcom.co.in  
Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710  
Audited Financial Results (Consolidated) for the year ended on 31st March, 2009

(Rs. in Lakh - Except EPS and Share data)

Sl. No.	Particulars	For the year ended	
		31-Mar-09	31-Mar-08
		Audited	Audited
1	a) Net Income from Operations	2,074,292	1,714,848
	b) Other Operating Income	150,763	167,891
	<b>Net Income from Operations</b>	<b>2,225,055</b>	<b>1,882,739</b>
2	<b>Expenditure</b>		
	a) Access Charges	238,167	281,965
	b) License Fee	118,651	123,864
	c) Employee Cost	167,654	116,752
	d) Depreciation and Amortisation	360,770	280,526
	e) Other Expenditure	839,878	562,671
	<b>Total</b>	<b>1,725,120</b>	<b>1,365,778</b>
3	<b>Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)</b>	<b>499,935</b>	<b>516,961</b>
4	Other Income	69,790	24,037
5	Amortisation of Compensation under Employee Stock Option Scheme	748	1,617
6	<b>Profit before Financial Charges and Exceptional Items (3 + 4 - 5)</b>	<b>568,977</b>	<b>539,381</b>
7	Financial Charges (Net)	(50,695)	(39,970)
8	<b>Profit after Financial Charges but before Exceptional Items (6 - 7)</b>	<b>619,672</b>	<b>579,351</b>
9	<b>Exceptional Items</b>		
	Sale of shares in a subsidiary company	-	128,278
	Change in exchange rate relating to loans/liabilities (net)	(577,106)	-
	Less : Equivalent amount withdrawn from General Reserve	577,106	-
10	<b>Profit from Ordinary Activities before Tax (8 + 9)</b>	<b>619,672</b>	<b>707,629</b>
11	Tax Expenses	(5,179)	28,362
12	<b>Profit from Ordinary Activities after Tax (10 - 11)</b>	<b>624,851</b>	<b>679,267</b>
13	Extraordinary Items (net of tax expense)	-	-
14	<b>Net Profit for the period (12 - 13)</b>	<b>624,851</b>	<b>679,267</b>
15	Share of Minority Interest	20,517	139,006
16	Share of Associates	(159)	147
17	<b>Net Profit after Adjustment of share of Minority Interest and Associates (14 - 15 - 16)</b>	<b>604,493</b>	<b>540,114</b>
18	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	103,201	103,201
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	5,065,823	2,799,432
20	<b>Earning per Share (EPS) before and after Extraordinary Items (not annualised)</b>		
	- Basic (Rs.)	29.29	26.32
	- Diluted (Rs.)	28.05	23.22
21	<b>Public Shareholding</b>		
	Number of Shares	674,165,821	699,215,821
	Percentage of Shareholding	32.66%	33.88%
22	<b>Promoters and Promoter Group Shareholding</b>		
	a) Pledged / Encumbered		
	- Number of Shares	272,345,338	NA
	- Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group)	19.60%	
	- Percentage of Shares ( as a % of the total share capital of the Company)	13.19%	
	b) Non -encumbered		
	- Number of Shares	1,117,515,722	NA
	- Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group)	80.40%	
	- Percentage of Shares ( as a % of the total share capital of the Company)	54.15%	

Segment wise Revenue, Results and Capital Employed

(Rs. in Lakh)

Sl. No.	Particulars	For the year ended	
		31-Mar-09	31-Mar-08
		Audited	Audited
<b>23</b>	<b>Segment Revenue</b>		
	a) Wireless	1,736,763	1,521,354
	b) Global	679,094	547,506
	c) Broadband	252,427	178,673
	d) Investments	32,782	15,269
	e) Others / Unallocated	67,502	27,782
	<b>Total</b>	<b>2,768,568</b>	<b>2,290,584</b>
	Less: Inter segment revenue	(473,723)	(383,808)
	<b>Income from Operations</b>	<b>2,294,845</b>	<b>1,906,776</b>
<b>24</b>	<b>Segment Results</b>		
	Profit / (Loss) before Tax and Financial Charges from each segment		
	a) Wireless	427,921	412,510
	b) Global	85,566	83,712
	c) Broadband	81,500	62,628
	d) Investments	32,782	15,263
	e) Others / Unallocated	(58,044)	(33,115)
	<b>Total</b>	<b>569,725</b>	<b>540,998</b>
	Less : Amortisation of Compensation under Employee Stock Option Scheme	748	1,617
	Less : Financial Charges (Net)	(50,695)	(39,970)
	Less : Exceptional Items	-	(128,278)
	<b>Total Profit before Tax</b>	<b>619,672</b>	<b>707,629</b>
<b>25</b>	<b>Capital Employed</b>		
	(Segment assets - Segment liabilities)		
	a) Wireless	4,973,790	2,994,820
	b) Global	1,367,337	859,994
	c) Broadband	498,561	429,040
	d) Investments	956,055	1,138,100
	e) Others / Unallocated	1,942,373	316,218
	<b>Total</b>	<b>9,738,116</b>	<b>5,738,172</b>

## NOTES

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. On account of various factors including, in particular, an amendment to Schedule VI of the Companies Act, 1956 ("the Act") withdrawing the requirement to adjust changes in the amounts of liability relating to Loans and Liabilities in foreign currency attributable to Fixed Assets acquired by the Company in the cost of the said Fixed Assets, the Company has decided after the end of the Financial Year 2008 - 09 and after the approval of the Unaudited Financial Results for the quarter and the year ending on 31st March, 2009 that it would be more appropriate to account for the changes in the amounts of liabilities, consequent to changes in foreign exchange rates, as part of the profit or loss of the Company for the year in which the changes take place without adjusting the amount of the change in the cost of fixed assets.

The accounting policy now adopted by the Company is in line with the Accounting Standard ("AS") 11, "The Effect of Changes in Foreign Exchange Rates" as also in line with the accounting policy adopted by the Company in the Previous year ending 31st March, 2008 and the accounting policy followed by the Company for similar changes relating to liabilities expressed in foreign exchange other than those relating to fixed assets.

Accordingly, in respect of the year ending on 31st March, 2009, Rs. 5,998.56 crore being the foreign exchange difference relating to such loans/ liabilities, which were earlier adjusted in the cost of fixed assets, have now been charged to the Profit and Loss Account and net foreign exchange gain of Rs. 227.50 crore was reversed. Net amount of Rs. 5,771.06 crore has been withdrawn from the General Reserve of the Company in accordance with the terms of the Scheme of Arrangement between the Company and Reliance Infratel Limited approved by the Mumbai High Court on 18th July, 2009, as referred in Note 4 (ii) below, and consequently, there is no impact vis-à-vis profits of the year ended 31st March, 2009 of such charge except for consequential effects relating to Depreciation, etc. which have been appropriately dealt with.

Further to the above, during the year loss of Rs. 237.34 crore arising out of marking related Derivative Contracts to market has also been recognized in the Profit and Loss Account, in compliance with the announcement dated 29th March, 2008 by ICAI regarding Accounting for Derivatives. The net gain of Rs. 290.03 crore including gain on account of conversion of overseas bank balances amounting to Rs. 139.33 crore is reflected in "Financial Charges (net)" as the effect of Foreign Currency Exchange Fluctuation.

3. During the year, the Company has bought back and cancelled 350 nos. of 5 Year, 4.95%, FCCBs of the Face Value of USD 1,00,000 each, as per approval of the Reserve Bank of India, at a discount to the Face Value. This has resulted in a saving of Rs. 79.61 crore which has been reflected as part of Other Income. Consequent upon such buy back and cancellation, the Company's obligations to convert the said Bonds into Shares, if so claimed by the Bond Holders and/ or to redeem the same in foreign currency, has come to an end vis-à-vis the cancelled Bonds.
- 4(i) Pursuant to the Scheme of Amalgamation ("the Scheme") under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Honourable High Court of Bombay vide Order dated 3rd July, 2009 and filed with the Registrar of Companies (RoC) on 13th July, 2009, Reliance Gateway Net Limited ("RGNL"), a Wholly Owned Subsidiary of the Company, engaged in telecommunication allied activities and as a holding company for all the offshore Investments of the Company, has been amalgamated into the Company with effect from the Appointed Date as 31st March, 2009. Upon the Scheme becoming effective, all the assets and liabilities as appearing in the books of the RGNL as on the Appointed Date have been recorded at their respective fair values by the Company.

- (ii) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Bombay on 18th July 2009, the Optic Fibre Undertaking, as defined in the Scheme of the Company, shall be transferred and vested into Reliance Infratel Limited ("RITL"), a Subsidiary of the Company engaged in providing Telecom Infrastructure Services, with effect from the Appointed Date, 1st April, 2008.

As per the Scheme, RITL is required to record in its books all the assets and liabilities pertaining to Optic Fiber Undertaking as appearing in the books of the Demerged Company as on the Appointed Date at their respective fair values.

The Scheme shall become effective upon the Company filing the Order of the High Court sanctioning the Scheme with the Registrar of Companies, as required by Section 393(3) of the Companies Act, 1956.

- (iii) Pursuant to the Scheme of Arrangement ("the Scheme") under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Honourable High Court of Bombay vide Order dated 19th June, 2009, the Treasury Activities, as defined in the Scheme, of Reliance Communications Infrastructure Limited ("RCIL"), a wholly owned subsidiary of the Company have been transferred and vested into Reliance Telecom Limited ("RTL"), a wholly owned subsidiary of the Company with effect from the Appointed Date as 1st April, 2008. Since the Scheme between two wholly owned subsidiaries of the Company does not involve any movement of assets or liabilities to any company outside the group controlled by the Company, RTL is not required to issue any shares or pay any consideration to either RCIL or to its shareholders.

5. The Board of Directors of the Company at its meeting held on 8th August, 2009 confirmed an Interim Dividend of Re. 0.80 per equity share of Rs. 5 each already paid, as the final dividend for the financial year ended 31st March, 2009.
6. The Company is operating with Wireless, Broadband, Global, Investments and Others / Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of AS 17 "Segment Reporting".
7. The Company has opted to publish Consolidated financial results for the year ended 31st March, 2009. Standalone financial results, for the year ended 31st March, 2009 can be viewed on the website of the Company, National Stock Exchange of India Limited and Bombay Stock Exchange Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
8. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 8th August, 2009.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 8th August, 2009

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