

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

Unaudited Financial Results (Standalone) for the Quarter and Year ended 31st March, 2009

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

Sl. No.	Particulars	Quarter ended		Year ended	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
		Unaudited	Unaudited	Unaudited	Audited
1	a) Net Income from Operations	307,307	336,163	1,258,379	1,270,643
	b) Other Operating Income	9,967	9,372	102,679	70,976
	Total Income	317,274	345,535	1,361,058	1,341,619
2	Expenditure				
	a) Access Charges	63,198	65,300	232,506	265,357
	b) License Fee	25,884	27,849	104,922	112,037
	c) Employee Cost	9,320	18,203	75,835	82,249
	d) Passive Infrastructure Charges	67,608	28,054	186,811	93,619
	e) Depreciation and Amortisation	69,210	46,746	236,690	184,366
	f) Other Expenses	41,709	76,607	327,268	298,495
	g) Total	276,929	262,759	1,164,032	1,036,123
3	Profit from Operations before Other Income, Financial Charges and Exceptional Items (1-2)	40,345	82,776	197,026	305,496
4	Other Income	1,697	158	8,409	1,046
5	Amortisation of Compensation under Employee Stock Option Scheme	(15,696)	1,617	747	1,617
6	Profit before Financial Charges and Exceptional Items (3+4-5)	57,738	81,317	204,688	304,925
7	Financial Charges (Net)	(56,389)	32,804	8,558	44,517
8	Profit after Financial Charges but before Exceptional Items (6 - 7)	114,127	48,513	196,130	260,408
9	Exceptional Items	-	-	(40,403)	-
10	Profit from Ordinary Activities before Tax (8-9)	114,127	48,513	236,533	260,408
11	Tax Expenses	150	(2,629)	1,240	1,764
12	Profit from Ordinary Activities after Tax (10 - 11)	113,977	51,142	235,293	258,644
13	Extraordinary Items (net of tax expense)	-	-	-	-
14	Net Profit for the period (12-13)	113,977	51,142	235,293	258,644
15	Paid-up Equity Share Capital (Face Value of Rs.5 each)	103,201	103,201	103,201	103,201
16	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year				2,380,797
17	Earning per Share (EPS) (not annualised)				
	i) Basic (Rs.)	5.52	2.48	11.40	12.60
	ii) Diluted (Rs.)	5.29	0.62	10.92	10.21
18	Public Shareholding				
	Number of Shares	674,165,821	699,215,821	674,165,821	699,215,821
	Percentage of Shareholding	32.66%	33.88%	32.66%	33.88%
19	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of Shares	272,345,338	N.A.	272,345,338	N.A.
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	19.60%		19.60%	
	- Percentage of Shares (as a % of the total share capital of the company)	13.19%		13.19%	
	b) Non -encumbered				
	- Number of Shares	1,117,515,722	N.A.	1,117,515,722	N.A.
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	80.40%		80.40%	
	- Percentage of Shares (as a % of the total share capital of the company)	54.15%		54.15%	

Segment wise Revenue, Results and Capital Employed

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

Sl. No.	Particulars	Quarter ended		Year ended	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
		Unaudited	Unaudited	Unaudited	Audited
20	Segment Revenue				
	a) Wireless	245,812	278,360	1,058,970	1,085,553
	b) Global	106,401	97,035	417,958	391,770
	c) Broadband	41,976	32,929	166,131	116,522
	d) Others / Unallocated	1,697	159	8,409	1,047
	Total	395,886	408,483	1,651,468	1,594,892
	Less: Inter segment revenue	(76,915)	(62,790)	(282,001)	(252,227)
	Net Income from Operations	318,971	345,693	1,369,467	1,342,665
21	Segment Results				
	Profit / (Loss) before Tax and Financial Charges from each segment				
	a) Wireless	30,672	46,521	97,521	195,932
	b) Global	16,461	22,081	85,988	91,598
	c) Broadband	22,207	1,400	58,618	18,156
	d) Others / Unallocated	(27,298)	12,932	(36,692)	856
	Total	42,042	82,934	205,435	306,542
	Less : Amortisation of Compensation under Employee Stock Option Scheme	(15,696)	1,617	747	1,617
	Less : Financial Charges (Net)	(56,389)	32,804	8,558	44,517
	Less : Exceptional Items - Financial charges	-	-	(40,403)	-
	Total Profit before Tax	114,127	48,513	236,533	260,408
22	Capital Employed				
	(Segment assets - Segment liabilities)				
	a) Wireless	2,417,789	1,456,822	2,417,789	1,456,822
	b) Global	382,900	264,822	382,900	264,822
	c) Broadband	374,025	278,912	374,025	278,912
	d) Others / Unallocated	2,602,391	2,512,086	2,602,391	2,512,086
	Total	5,777,105	4,512,642	5,777,105	4,512,642

NOTES

- 1 Figures of the previous period have been regrouped and reclassified, wherever required.
- 2 The Company is pursuing aggressive capex plans which include significant expansion of nation wide wireless network. The Company has funded these initiatives primarily by long term borrowings in foreign currency and Foreign Currency Convertible Bonds (FCCBs). In compliance of Schedule VI of the Companies Act, 1956 (Schedule VI) and on the basis of legal advice received by the Company, changes to the amount of liability and borrowings related to acquisition of fixed assets consequent upon short term fluctuations in foreign exchange rates upto 30th March, 2009 are adjusted in the carrying cost of fixed assets.
Had the accounting treatment as per Accounting Standard ("AS") 11 been continued to be followed by the Company, the net profit after tax for the quarter and the year ended on 31st March, 2009 would have been lower by Rs. 26,907 lakh and Rs. 111,743 lakh for realized and Rs. 22,160 lakh and Rs. 202,519 lakh for unrealized currency exchange fluctuations respectively. This excludes an amount of Rs. 31,903 lakh and Rs. 146,577 lakh for the quarter and the year ended on 31st March, 2009 on FCCBs for which the Company will not be liable, if the FCCBs are converted on or before the due date i.e. 1st May, 2011 and 18th February, 2012.
Pursuant to the amendment to Schedule VI, with effect from 31st March, 2009, the Company has with effect from 31st March, 2009 adopted the accounting treatment as per AS 11.
- 3 During the quarter, the Company has repurchased and cancelled 100 Foreign Currency Convertible Bonds (FCCBs) of the Face Value of USD 1,00,000 each, as per approval of the Reserve Bank of India, at a discount. This has resulted in a saving of Rs.1,586 lakh which has been reflected as part of Other Income. Consequent upon such repurchase and cancellation, the Company's obligations to convert the said FCCBs into Shares, if so claimed by the FCCB Holders and/ or to redeem the same in foreign currency, have come to an end vis-à-vis the cancelled FCCBs.
- 4 The Scheme of Arrangement for demerger of the Optical Fibre Division of the Company to Reliance Infratel Limited ("RITL"), a subsidiary of the Company and Schemes relating to its subsidiaries are pending final approval of Shareholders and/ or the Hon'ble High Court of Judicature at Mumbai.
Upon the Schemes becoming effective after receipt of Shareholders, Statutory and contractual approvals followed by filing with the Registrar of Companies, the Schemes will be given effect to in the audited financial statements for the year ended 31st March, 2009.
- 5 The Company operates two Employee Stock Option Schemes (ESOS 2008 and ESOS 2009). Amortization of compensation under Employee Stock Option Schemes includes a further charge of Rs. 747 lakh (Previous Year: Rs.1,617 lakh) for Options which have been vested under ESOS 2008. Amounts earlier charged in respect of surrendered Options under ESOS 2008 have been reversed in the quarter ended 31st March, 2009. No amount is chargeable in respect of Options granted under ESOS 2009.
- 6 Based on the legal advise received, the Company will not be liable for tax consequent upon deductions under incentive provisions such as Section 80 IA as also on account of deductions permitted in the computation of book profits for the purposes of Section 115 JB of the Income Tax Act. Provision in these unaudited financial statements for tax is limited to the provision which would be required in the audited financial statements, referred to in Note 4 above.
- 7 Expenses under the heads Employee Cost and Other Expenses are net of recoveries from RCIL, its wholly owned subsidiary. Such amounts recovered for the year amount to Rs. 13,305 lakh and Rs. 50,028 lakh respectively and for the quarter is Rs. 3,322 lakh and Rs. 11,773 lakh respectively and for the earlier quarters accounted in the current quarter is Rs. 9,983 lakh and Rs. 38,255 lakh respectively. Similarly, the Company has also collected from RCIL interest amount equivalent to its cost of funds amounting to Rs. 15,693 lakh and Rs. 56,189 lakh for the quarter and the year ended 31st March, 2009 respectively and for the earlier quarters accounted in the current quarter is Rs. 40,496 lakh.
- 8 The Company is operating with Wireless, Global, Broadband and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of AS 17 "Segment Reporting".
- 9 No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 184 complaints were received and all the complaints were resolved.
- 10 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 30th April, 2009 and the same are subjected to limited review by the Statutory auditors of the Company.

For Reliance Communications Limited

Place: Mumbai
Date: 30th April, 2009.

Anil D. Ambani
Chairman