

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 (Consolidated) for the Quarter ended 30th June, 2009

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

Sl. No.	Particulars	Quarter ended		Year ended
		30-Jun-09	30-Jun-08	31-Mar-09
		Unaudited	Unaudited	Unaudited
1	a) Net Income from Operations	550,549	473,578	2,071,991
	b) Other Operating Income	33,747	49,372	150,763
	Net Income from Operations	584,296	522,950	2,222,754
2	Expenditure			
	a) Access Charges	48,108	62,889	238,167
	b) License Fee	30,342	28,702	118,651
	c) Employee Cost	41,122	35,169	167,685
	d) Depreciation and Amortisation	111,443	86,380	360,022
	e) Other Expenditure	249,697	180,449	838,076
	Total	480,712	393,589	1,722,601
3	Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)	103,584	129,361	500,153
4	Other Income	30,222	9,267	67,633
5	Amortisation of Compensation under Employee Stock Option Scheme		6,397	748
6	Profit before Financial Charges and Exceptional Items (3 + 4 - 5)	133,806	132,231	567,038
7	Financial Charges (Net)	(62,051)	(23,397)	(51,203)
8	Profit after Financial Charges but before Exceptional Items (6 - 7)	195,857	155,628	618,241
9	Exceptional Items	(1,111)		
10	Profit from Ordinary Activities before Tax (8 + 9)	194,746	155,628	618,241
11	Tax Expenses	22,673	(1,937)	(5,179)
12	Profit from Ordinary Activities after Tax (10 - 11)	172,073	157,565	623,420
13	Extraordinary Items (net of tax expense)			
14	Net Profit for the period (12 - 13)	172,073	157,565	623,420
15	Share of Minority Interest	8,318	6,304	21,511
16	Share of Associates	94	46	(159)
17	Net Profit after Adjustment of share of Minority Interest and Associates (14 - 15 - 16)	163,661	151,215	602,068
18	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	103,201	103,201	103,201
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-
20	Earning per Share (EPS) before and after Extraordinary Items (not annualised)			
	- Basic (Rs.)	7.93	7.33	29.17
	- Diluted (Rs.)	7.60	6.94	27.94
21	Public Shareholding			
	Number of Shares	67,56,65,821	699,215,821	674,165,821
	Percentage of Shareholding	32.74%	33.88%	32.66%
22	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	- Number of Shares	272,345,338	NA	272,345,338
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	19.62%		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	1,116,015,722	NA	1,117,515,722
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	80.38%		80.40%
	- Percentage of Shares (as a % of the total share capital of the company)	54.07%		54.15%

Segment wise Revenue, Results and Capital Employed

Sl. No.	Particulars	Quarter ended		Year ended
		30-Jun-09	30-Jun-08	31-Mar-09
		Unaudited	Unaudited	Unaudited
23	Segment Revenue			
	a) Wireless	479,308	411,868	1,736,776
	b) Global	188,441	152,596	677,605
	c) Broadband	68,425	56,029	252,427
	d) Investments	7,840	8,150	31,507
	e) Others / Unallocated	22,471	6,224	65,756
	Total	766,485	634,867	2,764,071
	Less: Inter segment revenue	151,968	102,650	473,684
	Income from Operations	614,517	532,217	2,290,387
24	Segment Results			
	Profit / (Loss) before Tax and Financial Charges from each segment			
	a) Wireless	114,655	104,862	427,920
	b) Global	21,606	15,845	84,737
	c) Broadband	18,424	19,743	81,500
	d) Investments	7,840	8,150	31,507
	e) Others / Unallocated	(28,719)	(9,972)	(57,878)
	Total	133,806	138,628	567,786
	Less : Amortisation of Compensation under Employee Stock Option Scheme	-	6,397	748
	Less : Financial Charges (Net)	(62,051)	(23,397)	(51,203)
	Less : Exceptional Items	1,111	-	-
	Total Profit before Tax	194,746	155,628	618,241
25	Capital Employed			
	(Segment assets - Segment liabilities)			
	a) Wireless	5,128,535	3,334,174	5,080,893
	b) Global	1,114,948	847,935	1,210,190
	c) Broadband	494,756	452,851	534,364
	d) Investments	839,915	743,140	956,055
	e) Others / Unallocated	1,885,795	444,337	1,887,546
	Total	9,463,949	5,822,437	9,669,048

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 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. 599,856 lakh 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. Rs. 586,603 lakh 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 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. However, aforesaid adjustment by withdrawing from the General Reserve shall be reversed in case, for any reason, the Order does not become effective.

The revised accounting policy is continued in respect of the Current Year and the financial results for the Quarter ended on 30th June, 2009 have been arrived at on the basis of the revised accounting policy.

The accounting treatment in relation to changes in amount of liabilities consequent to changes in foreign exchange rates was the subject matter of reference in the Review Report of the Auditors for the previous Quarter ending on March 31, 2009.

3. During the quarter, the Company has repurchased and cancelled 297 Foreign Currency Convertible Bonds (FCCBs) of USD 1,00,000 each, at a discount. This has resulted in a saving of Rs. 2,449 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 (i) Pursuant to the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Honourable High Court of Bombay vide Order dated 3rd July, 2009, Reliance Gateway Net Limited ("RGNL"), a Wholly Owned Subsidiary of the Company has been amalgamated into the Company with effect from the Appointed Date as 31st March, 2009. As required by the Scheme, the Company has considered the accounting effects of the Scheme into unaudited accounts for the year ended as at 31st March, 2009.

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. Excess of Rs. 1,433,205 lakh arising on such transfer of assets and liabilities, in proportion to its Shareholding in Reliance Globalcom Limited, Bermuda, after making the adjustment, in accordance with the Scheme, for cancellation of investments of Rs. 2,09,643 lakh in RGNL and net effect on revaluation of assets and liabilities of the Company selected by the Board as required to be revalued for this purpose ("Identified Assets") of Rs. 1,275,481 lakh has been credited to General Reserve, to be dealt with in accordance with the Scheme.

Further to the above, during the current quarter, additional depreciation of Rs. 28,934 lakh arising on account of fair valuation of Identified Assets, have been adjusted by drawing an equivalent amount from General Reserve, leaving no impact on Profit and Loss Account of the Company.

- (ii) 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.
- (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 on 18th July, 2009, the Optic Fiber Undertaking, as defined in the Scheme, of the Company has been transferred and vested into Reliance Infratel Limited ("RITL"), a subsidiary of the Company with effect from the Appointed Date as 1st April, 2008.

However, the detailed Order of the Court is yet to be received. Also, the said Order has not become effective as the Company is still to file the said Order with the Registrar of Companies. In the interest of providing relevant information, the Company has decided that, notwithstanding the aforesaid position, the Company would reflect the transactions forming part of the Scheme sanctioned by the said Order in compiling the accounts both for the Year ended 31st March, 2009 and for the Quarter ended 30th June, 2009.

- 5 The Company has provided for Current Tax based on Minimum Alternate Tax (MAT) rate of 15% with applicable surcharge and education cess and discontinued provision of Fringe Benefit Tax (FBT), in view of the proposals contained in the Finance Bill (No.2) 2009.
- 6 The Board of Directors have declared Interim dividend of Re. 0.80 per equity share of Rs. 5 each i.e. 16% for the financial year 2008 - 09. The interim dividend will be paid on or after 6th August, 2009.
- 7 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".
- 8 The Company has opted to publish consolidated financial results for the year 2009 - 10. Standalone financial results, for the quarter ended 30th June, 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, www.nseindia.com and www.bseindia.com respectively.
- 9 No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 119 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 31st July, 2009.

For Reliance Communications Limited

Place: Mumbai

Date: 31st July, 2009

Anil D. Ambani
Chairman