

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 Six months ended 30th September, 2009

(Rs. In Lakh - Except EPS and Share Data)

Sl. No.	Particulars	Quarter ended		Six months ended		Previous Accounting Year ended
		30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	31-Mar-09
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	a) Net Income from Operations	303,237	318,030	603,850	635,677	1,258,379
	b) Other Operating Income	2,552	36,535	5,103	74,685	102,679
	Total Income	305,789	354,565	608,953	710,362	1,361,058
2	Expenditure					
	a) Access Charges	51,467	51,419	98,575	112,362	232,506
	b) License Fee	24,979	26,784	51,194	51,784	104,922
	c) Employee Cost	16,263	21,601	34,812	43,888	75,835
	d) Passive Infrastructure Charges	96,342	37,540	186,394	78,148	186,811
	e) Depreciation and Amortisation	21,303	52,756	76,935	105,699	193,352
	f) Other Expenses	79,237	98,851	175,511	186,767	415,244
	g) Total	289,591	288,951	623,421	578,648	1,208,670
3	Profit from Operations before Other Income, Financial Charges and Exceptional Items (1-2)	16,198	65,614	(14,468)	131,714	152,388
4	Other Income	311	153	16,854	262	8,409
5	Amortisation of Compensation under Employee Stock Option Scheme	-	6,467	-	12,864	747
6	Profit on transfer of OFC division by way of demerger	-	-	-	-	306,327
7	Profit before Financial Charges and Exceptional Items (3+4-5+6)	16,509	59,300	2,386	119,112	466,377
8	Financial Charges (Net)	34,297	11,926	(22,826)	36,800	25,275
9	Profit after Financial Charges but before Exceptional Items (7 - 8)	(17,788)	47,374	25,212	82,312	441,102
10	Exceptional Items	-	-	-	-	-
i.	Financial Charges	-	-	-	-	40,403
11	Profit from Ordinary Activities before Tax (9 + 10)	(17,788)	47,374	25,212	82,312	481,505
12	Tax Expenses	(6,000)	500	-	700	1,240
13	Profit from Ordinary Activities after Tax (11 - 12)	(11,788)	46,874	25,212	81,612	480,265
14	Extraordinary Items (net of tax expense)	-	-	-	-	-
15	Net Profit for the period (13 - 14)	(11,788)	46,874	25,212	81,612	480,265
16	Paid-up Equity Share Capital (Face Value of Rs.5 each)	103,201	103,201	103,201	103,201	103,201
17	Paid-up Debt Capital	300,000	-	300,000	-	300,000
18	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year					5,065,823
19	Debenture Redemption Reserve	4,456	-	4,456	-	698
20	Earning per Share (EPS) (not annualised)					
	i) Basic (Rs.)	(0.57)	2.27	1.22	3.95	23.27
	ii) Diluted (Rs.)	(0.55)	2.10	1.17	3.65	22.29
21	Debt Equity Ratio (Refer Note 6)			0.49	0.86	0.60
22	Debt Service Coverage Ratio (DSCR) (Refer Note 6)			0.14	0.39	2.55
23	Interest Service Coverage Ratio (ISCR) (Refer Note 6)			1.35	3.22	6.00
24	Public Shareholding					
	Number of Shares	67,66,85,821	699,215,821	67,66,85,821	699,215,821	674,165,821
	Percentage of Shareholding	32.78%	33.88%	32.78%	33.88%	32.66%
25	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered (Refer Note 5)					
	- Number of Shares	15,91,81,411	N.A.	15,91,81,411	N.A.	272,345,338
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	11.47%		11.47%		19.60%
	- Percentage of Shares (as a % of the total share capital of the company)	7.71%		7.71%		13.19%
	b) Non -encumbered					
	- Number of Shares	122,81,59,649	N.A.	122,81,59,649	N.A.	1,117,515,722
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	88.53%		88.53%		80.40%
	- Percentage of Shares (as a % of the total share capital of the company)	59.50%		59.50%		54.15%

Segment wise Revenue, Results and Capital Employed

(Rs. In Lakh - Except EPS and Share Data)

Sl. No.	Particulars	Quarter ended		Six months ended		Previous Accounting Year ended
		30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	31-Mar-09
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
26	Segment Revenue					
	a) Wireless	246,045	272,077	493,715	553,731	1,058,970
	b) Global	94,793	108,688	190,193	205,042	417,958
	c) Broadband	40,978	42,223	82,775	81,333	166,131
	d) Others / Unallocated	(2,488)	153	54	262	8,409
	Total	379,328	423,141	766,737	840,368	1,651,468
	Less: Inter segment revenue	(73,228)	(68,423)	(140,930)	(129,744)	(282,001)
	Net Income from Operations	306,100	354,718	625,807	710,624	1,369,467
27	Segment Results					
	Profit / (Loss) before Tax and Financial Charges from each segment					
	a) Wireless	19,962	36,527	18,039	64,879	93,240
	b) Global	11,667	24,245	16,007	45,488	51,304
	c) Broadband	951	12,585	(976)	25,348	50,623
	d) Others / Unallocated	(16,071)	(7,590)	(30,684)	(3,739)	(34,370)
	Total	16,509	65,767	2,386	131,976	160,797
	Less : Amortisation of Compensation under Employee Stock Option Scheme	-	6,467	-	12,864	747
	Less : Financial Charges (Net)	34,297	11,926	(22,826)	36,800	25,275
	Add : Profit on transfer of OFC division by way of demerger	-	-	-	-	306,327
	Add : Exceptional Items - Financial charges	-	-	-	-	40,403
	Total Profit before Tax	(17,788)	47,374	25,212	82,312	481,505
28	Capital Employed					
	(Segment assets - Segment liabilities)					
	a) Wireless	2,763,446	1,807,584	2,763,446	1,807,584	2,977,867
	b) Global	110,777	265,647	110,777	265,647	205,056
	c) Broadband	260,171	317,196	260,171	317,196	301,870
	d) Others / Unallocated	4,505,181	2,348,738	4,505,181	2,348,738	4,774,597
	Total	7,639,575	4,739,165	7,639,575	4,739,165	8,259,390

NOTES

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. 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 (the 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. The detailed Order of the Court has been received and filed with the Registrar of Companies on 15th September, 2009. The Company had, in the interest of providing relevant information, notwithstanding the aforesaid position, already reflected the transactions forming part of the Scheme sanctioned by the said Order in compiling the accounts both for the Year ended on 31st March, 2009 and for the Quarter ended on 30th June, 2009. In addition to the transactions forming part of the Scheme and incorporated in the Accounts, in terms of the Scheme, the expenses recoverable by the Company from RITL, as expenses pertaining to the Undertaking were negotiated and confirmed. Accordingly, Rs. 13,195 lakh was charged to RITL including an amount of Rs. 7,096 lakh pertaining to the Previous Quarter.
3. The net profit after tax would have been higher at Rs. 337 lakh for the Quarter ended on 30th September, 2009 but for losses of Rs. 12,125 lakh which have been fully provided in the accounts in respect of mark-to-market (MTM) valuation of liabilities and obligations expressed in foreign currency and derivative contracts. Subsequently, these losses have been recouped as a result of favourable changes in foreign exchange rates after 30th September, 2009. Similarly, the net profit after tax would have been higher at Rs. 37,337 lakh for the Six Months ended on that date but for such losses.
4. During the Quarter, the Company carried out technical/ technology assessment to determine the useful life of some of its telecommunications equipment. The useful life of such telecommunications equipment has been re-assessed and ascertained as 18 years, impacting the provision of depreciation of these assets for the Quarter and the Six Months ended on 30th September, 2009. As a result, depreciation charge is lower by Rs. 37,600 lakh for the Quarter and Six Months ended on 30th September, 2009. The accounting treatment so determined is fully in accordance with the applicable provisions of the Companies Act, 1956.
5. The Promoter Group has revoked pledge on all Shares in the Company on 16th October, 2009 and at present, none of the Shares held by the Promoter Group are under pledge.
6. Formula used for the computation of ratios:
 - i) Debt Equity Ratio = Debt/ Equity;
 - ii) Debt Service Coverage Ratio (DSCR) = Earnings before interest, tax/ (Interest + Principal repayment);
 - iii) Interest Service Coverage Ratio (ISCR) = Earnings before interest, tax/ (Interest expense)
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. No complaint from Investors was pending for redressal at the beginning and end of the Quarter. During the Quarter, 78 complaints were received and all the complaints were resolved.
9. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 31st October, 2009, and the same have been subjected to Limited Review by the Statutory Auditors of the Company.

For Reliance Communications Limited

Place: Mumbai
Date: 31st October, 2009

Anil D. Ambani
Chairman