

**Reliance Communications Limited**

Reliance 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 (Standalone) for the year ended 31st March, 2010**

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

Sl. No.	Particulars	For the year ended	
		31-Mar-10	31-Mar-09
		Audited	Audited
1	a) Net Income from Operations	1,208,098	1,258,379
	b) Other Operating Income	20,963	102,679
	<b>Total Income</b>	<b>1,229,061</b>	<b>1,361,058</b>
<b>2</b>	<b>Expenditure</b>		
	a) Access Charges	221,422	232,506
	b) License Fee	97,249	104,922
	c) Employee Cost	67,180	75,835
	d) Passive Infrastructure Charges	381,988	186,811
	e) Depreciation and Amortisation	151,124	193,352
	f) Other Expenses	374,265	406,113
	<b>Total</b>	<b>1,293,228</b>	<b>1,199,539</b>
<b>3</b>	<b>Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)</b>	<b>(64,167)</b>	<b>161,519</b>
4	Other Income	22,111	8,409
5	Profit on transfer of OFC division by way of demerger	-	306,327
<b>6</b>	<b>Profit before Financial Charges and Exceptional Items (3+4+5)</b>	<b>(42,056)</b>	<b>476,255</b>
7	Financial Charges (Net)	(105,838)	34,405
<b>8</b>	<b>Profit after Financial Charges but before Exceptional Items (6 - 7)</b>	<b>63,782</b>	<b>441,850</b>
9	Exceptional Items		
i.	Financial Charges	-	(40,403)
ii.	Other Exceptional Items	1,835	747
<b>10</b>	<b>Profit from Ordinary Activities before Tax (8 + 9)</b>	<b>61,947</b>	<b>481,506</b>
11	Tax Expenses	14,054	1,240
<b>12</b>	<b>Profit from Ordinary Activities after Tax (10 - 11)</b>	<b>47,893</b>	<b>480,266</b>
13	Extraordinary Items (net of tax expense)	-	-
<b>14</b>	<b>Net Profit for the period (12 - 13)</b>	<b>47,893</b>	<b>480,266</b>
15	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	103,201	103,201
16	Paid - up Debt Capital	300,000	300,000
17	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year		5,065,823
18	Debenture Redemption Reserve	8,194	698
<b>19</b>	<b>Earning per Share (EPS) (not annualised)</b>		
	i) Basic (Rs.)	2.32	23.27
	ii) Diluted (Rs.)	2.22	22.29
20	Debt Equity Ratio (Refer Note 5)	0.48	0.60
21	Debt Service Coverage Ratio (DSCR) (Refer Note 5)	0.76	1.87
22	Interest Service Coverage Ratio (ISCR) (Refer Note 5)	3.30	3.88
23	Public Shareholding		
	- Number of Shares	669,106,821	674,165,821
	- Percentage of Shareholding	32.42%	32.66%

24	Promoters and Promoter Group Shareholding		
	a) Pledged / Encumbered		
	- Number of Shares	Nil	272,345,338
	- Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group)	N.A.	19.60%
	- Percentage of Shares ( as a % of the total share capital of the company)	N.A.	13.19%
	b) Non -encumbered		
	- Number of Shares	1,394,920,060	1,117,515,722
	- Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group)	100.00%	80.40%
	- Percentage of Shares ( as a % of the total share capital of the company)	67.58%	54.15%

#### Segment wise Revenue, Results and Capital Employed

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

Sl. No.	Particulars	For the year ended	
		31-Mar-10	31-Mar-09
		Audited	Audited
<b>25</b>	<b>Segment Revenue</b>		
	a) Wireless	986,945	1,058,970
	b) Global	414,057	417,958
	c) Broadband	171,037	166,131
	d) Others / Unallocated	2,741	8,409
	<b>Total</b>	<b>1,574,780</b>	<b>1,651,468</b>
	Less: Inter segment revenue	(323,608)	(282,001)
	<b>Net Income from Operations</b>	<b>1,251,172</b>	<b>1,369,467</b>
<b>26</b>	<b>Segment Results</b>		
	Profit / (Loss) before Tax and Financial Charges from each segment		
	a) Wireless	5,586	93,240
	b) Global	8,605	51,304
	c) Broadband	9,775	50,623
	d) Others / Unallocated	(66,022)	(34,370)
	<b>Total</b>	<b>(42,056)</b>	<b>160,797</b>
	Less : Financial Charges (Net)	(105,838)	25,275
	Less :Other Exceptional Items	1,835	747
	Less : Profit on transfer of OFC division by way of demerger	-	(306,327)
	Less : Exceptional Items - Financial charges	-	(40,403)
	<b>Total Profit before Tax</b>	<b>61,947</b>	<b>481,505</b>
<b>27</b>	<b>Capital Employed</b>		
	(Segment assets - Segment liabilities)		
	a) Wireless	2,787,238	2,977,867
	b) Global	169,314	205,056
	c) Broadband	301,410	301,870
	d) Others / Unallocated	4,260,208	4,774,597
	<b>Total</b>	<b>7,518,170</b>	<b>8,259,390</b>

## NOTES

- 1 Figures of the previous period have been regrouped and reclassified, wherever required.
- 2 As reported in the quarterly results for the quarter ending on 31st December, 2009, as a measure of prudence, the Company has decided that unlike in earlier years, the Company will not recognise any mark to market gains in respect of any outstanding derivative contracts related to loans, liabilities and assets expressed in foreign currency. However, as required by the announcement dated 29th March, 2008 of the Institute of Chartered Accountants of India for accounting of derivatives, the Company provides for mark to market losses in respect of derivative contracts. **Accordingly, the Company has not recognised gain of Rs. 3,430 lakh on mark-to-market valuation of derivative contracts outstanding as at the end of the year ending on 31st March, 2010 under review. If the Company had not made this change of policy, net profit after tax would have been higher by the amount of Rs. 3,430 lakh for the year.**
- 3 During the year, 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. 2449 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 As reported in the quarterly results for the quarter ending on 30th September, 2009, 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 year ending on 31st March, 2010. As a result, depreciation charge is lower by Rs. 73,000 lakh for year ending on 31st March, 2010. The accounting treatment so determined is fully in accordance with the applicable provisions of the Companies Act, 1956.
- 5 Formula Used for computation of the ratios.  
Debt Equity Ratio = Debt / Equity  
Debt Service Coverage Ratio (DSCR) = Earnings before Depreciation, Interest and after Tax/ (Interest + Principal Repayment).  
Interest Service Coverage Ratio (ISCR) = Earnings before Depreciation, Interest and after Tax / Interest Expense.
- 6 The Board of Directors have recommended a dividend of Re. 0.85 per equity share of Rs. 5 each i.e. 17% for the financial year 2009 - 10, subject to approvals of the shareholders at the ensuing Annual General Meeting.
- 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, 22 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 15th May, 2010.

For **Reliance Communications Limited**

Place: Mumbai  
Date: 15th May, 2010

**Anil D. Ambani**  
Chairman