

Reliance Communications Limited
 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 31st March, 2012

PART I		(₹ in Crore)				
Sl. No.	Particulars	Quarter ended			For the year ended	
		31-Mar-12	31-Dec-11	31-Mar-11	31-Mar-12	31-Mar-11
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income from operations					
	(a) Net Income from Operations (Refer Note * below)	4,578	4,737	7,278	18,716	22,090
	(b) Other Operating Income	432	101	197	961	341
	Total Income from Operations (Refer note below)	5,010	4,838	7,475	19,677	22,431
2	Expenditure					
	(a) Access Charges	554	604	666	2,477	2,648
	(b) License Fee	286	301	261	1,132	1,157
	(c) Employee Cost	308	294	400	1,283	1,469
	(d) Depreciation and Amortisation	970	978	3,550	3,978	6,504
	(e) Other Expenditure	2,530	2,242	2,422	9,000	8,746
	Total Expenditure	4,648	4,419	7,299	17,870	20,524
3	Profit from Operations before Other Income, Financial Cost and Exceptional Items (1 - 2)	362	419	176	1,807	1,907
4	Other Income	300	217	423	705	738
5	Profit before Financial Cost and Exceptional Items (3 + 4)	662	636	599	2,512	2,645
6	Financial Cost	579	381	244	1,630	1,133
7	Profit after Financial Cost but before Exceptional Items (5 - 6)	83	255	355	882	1,512
8	Exceptional Items (Refer Note 4)	(1)	-	(5)	-	(5)
9	Profit from Ordinary Activities before Tax (7 - 8)	84	255	360	882	1,517
10	Tax Expenses	(119)	14	171	(106)	12
11	Net Profit from Ordinary Activities after Tax (9 - 10)	203	241	189	988	1,505
12	Extraordinary Items (net of tax expense)	-	-	-	-	-
13	Net Profit for the period (11 - 12)	203	241	189	988	1,505
14	Share of Associates	1	(1)	9	(1)	10
15	Share of Minority Interest	(130)	56	12	61	150
16	Net Profit after Taxes, Minority Interest and share of profit / (loss) of Associates (13 - 14 - 15)	332	186	168	928	1,345
17	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,032	1,032	1,032	1,032	1,032
18	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	39,467
19	Earning per Share (EPS) before and after Extraordinary Items (not annualised)					
	- Basic (Rs.)	1.61	0.90	0.82	4.50	6.52
	- Diluted (Rs.)	1.61	0.87	0.78	4.41	6.25
20	Debt Equity Ratio (Refer Note 10)				1.01	0.92
21	Debt Service Coverage Ratio (DSCR) (Refer Note 10)				1.12	2.94
22	Interest Service Coverage Ratio (ISCR) (Refer Note 10)				4.46	9.92

* Net Income from operations for the quarter and year ended March, 31 2011 includes a one time adjustment of Rs 2,545 crore consequent upon change of accounting treatment in respect of IRU's. Hence the figures are not comparable with those of the quarter and year ending March 31, 2012.

PART II						
Select Information						
Sl. No.	Particulars	Quarter ended			For the year ended	
		31-Mar-2012	31-Dec-2011	31-Mar-2011	31-Mar-2012	31-Mar-2011
		Unaudited	Unaudited	Unaudited	Audited	Audited
A	Particulars of Shareholding					
1	Public Shareholding					
	Number of Shares	663,318,324	663,318,324	663,296,821	663,318,324	663,296,821
	Percentage of Shareholding	32.14%	32.14%	32.14%	32.14%	32.14%
2	Promoters and Promoter Group Shareholding					
	(a) Pledged / Encumbered					
	- Number of Shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	N.A.	N.A.	N.A.	N.A.	N.A.
	- Percentage of Shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.	N.A.
	(b) Non-encumbered					
	- Number of Shares	1,400,708,557	1,400,708,557	1,400,730,060	1,400,708,557	1,400,730,060
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total share capital of the company)	67.86%	67.86%	67.86%	67.86%	67.86%

B Investor Complaints		Quarter ended 31-Mar-2012
Particulars		
Pending at the beginning of the quarter		Nil
Received during the quarter		19
Disposed of during the quarter		19
Remaining unresolved at the end of the quarter		Nil

Segment wise Revenue, Results and Capital Employed						(₹ in Crore)
Sl. No.	Particulars	Quarter ended			For the year ended	
		31-Mar-12	31-Dec-11	31-Mar-11	31-Mar-12	31-Mar-11
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Segment Revenue					
	(a) Wireless	4,505	4,447	4,453	17,696	17,647
	(b) GEBU	2,440	2,352	4,912	9,418	11,628
	(c) Others / Unallocated	270	232	385	1,100	1,469
	Total	7,215	7,031	9,750	28,214	30,744
	Less: Inter segment revenue	(1,905)	(1,976)	(1,852)	(7,832)	(7,575)
	Income from Operations	5,310	5,055	7,898	20,382	23,169
2	Segment Results					
	Profit / (Loss) before Tax and Financial Charges from each segment					
	(a) Wireless	524	719	820	2,431	3,159
	(b) GEBU	398	195	89	1,093	494
	(c) Others / Unallocated	(260)	(278)	(310)	(1,012)	(1,008)
	Total	662	636	599	2,512	2,645
	Less : Financial Charges (Net)	579	381	244	1,630	1,133
	Less : Exceptional Items	(1)	-	(5)	-	(5)
	Total Profit before Tax	84	255	360	882	1,517
3	Capital Employed					
	(Segment assets - Segment liabilities)					
	(a) Wireless	56,352	54,456	53,666	56,352	53,666
	(b) GEBU	10,212	11,073	10,637	10,212	10,637
	(c) Others / Unallocated	9,914	15,498	16,458	9,914	16,458
	Total	76,478	81,027	80,761	76,478	80,761

Consolidated Statement of Assets and Liabilities		(₹ in Crore)	
	Particulars	As at	As at
		31-Mar-12	31-Mar-11
		Audited	Audited
A	Equity and Liabilities		
1	Shareholder's Fund		
	(a) Share Capital	1,032	1,032
	(b) Reserves and Surplus	35,689	39,467
	Sub-total - Shareholders' Fund	36,721	40,499
2	Minority Interest	860	824
3	Non Current Liabilities		
	(a) Long Term Borrowings	29,646	19,313
	(b) Deferred Tax Liabilities (Net)	1,018	367
	(c) Other Long Term Liabilities	1,217	1,171
	(d) Long Term Provisions	824	247
	Sub-total - Non Current Liabilities	32,705	21,098
4	Current Liabilities		
	(a) Short Term Borrowings	5,539	10,682
	(b) Trade Payables	2,318	1,889
	(c) Other Current Liabilities	11,881	16,819
	(d) Short Term Provisions	2,866	3,112
	Sub-total - Current Liabilities	22,404	32,302
	Total Equity and Liabilities	92,690	94,723
B	Assets		
1	Non Current Assets		
	(a) Fixed Assets	71,478	71,351
	(b) Goodwill on Consolidation	5,009	4,747
	(c) Non Current Investments	133	118
	(d) Foreign Currency Monetary Item Translation Difference Account	425	-
	(e) Long Term Loans and Advances	2,482	2,059
	(f) Other Non Current Assets	618	-
	Sub-total - Non Current Assets	80,145	78,275
2	Current Assets		
	(a) Current Investment	519	452
	(b) Inventories	566	517
	(c) Trade Receivables	3,584	3,753
	(d) Cash and Cash Equivalents	550	4,866
	(e) Short Term Loans and Advances	4,988	4,640
	(f) Other Current Assets	2,338	2,220
	Sub-total - Current Assets	12,545	16,448
	Total Assets	92,690	94,723

Notes

1. Net Income from Operation for the quarter and year ended March 31, 2011 include one time adjustment of ₹ 2,545 crore consequent upon change of accounting treatment in respect of Indefeasible Rights of Use (IRUs). Hence, the figures are not comparable with those of the quarter and the year ending March 31, 2012.
2. Pursuant to an approval granted to RITL, a subsidiary of the Company by the Ministry of Company Affairs (MCA) under Section 205 (2) (d) of the Companies Act, 1956, RITL has provided depreciation in its Standalone Accounts on Telecom Towers at 2.72% under Straight Line Method over the useful life of asset. As a result, depreciation charge in Consolidated Accounts for the year ended March 31, 2012 is lower by ₹ 173 crore and profit is higher by the said amount.
3. In view of the option allowed pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs (MCA), for the year ended on March 31, 2012, the Company has added ₹ 1,749 crore of exchange differences on long term borrowing relating to acquisition of depreciable capital assets to the cost of capitalized assets. Further, the Company has accumulated foreign currency variations of ₹ 470 crore arising on other long-term foreign currency monetary items in "Foreign Currency Monetary item Translation Difference account", out of which, ₹ 45 crore has been amortised during the year leaving balance to be amortized over the balance period of loans.
4. Pursuant to the direction of the Hon'ble High Court of judicature of Bombay and option exercised by the Boards of the respective Companies, in accordance with and as per the arrangements approved by the Hon'ble High Court under different Schemes of Arrangement binding on the Company and three of its subsidiaries, namely, Reliance Communication Infrastructure Limited, Reliance Infratel Limited and Reliance Telecom Limited, expenses and/ or losses, identified by the Boards of the respective companies as being exceptional or otherwise subject to the Accounting treatment prescribed in the Schemes of Arrangement sanctioned by the Hon'ble High Court and comprising of ₹ 1,107 crore of debts due including, in particular, debts due from telecom operators whose licences are under cancellation pursuant to the directions of the Hon'ble Supreme Court in its order dated February 2, 2012 in the matter of Centre for Public Interest Litigation and others vs. Union of India and others and subsidy claimed from the Government, ₹ 268 crore unrealized net losses, ₹ 951 crore regarded as an adjustment to interest cost on account of restating long term monetary items expressed in foreign currency at year end prevailing rates, as also ₹ 353 crore of net realised losses on settlement of items recovered and/ or discharged in foreign currency, excluding the portion added to the cost of fixed assets or carried forward as Foreign Currency Monetary Item Translation Difference Account in accordance with Para 46 A inserted into Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" in context of unprecedented volatility in exchange rates during the year (Refer Note 3 above), ₹ 70 crore fuel cost considered to be incremental and arising from the non availability of contracted or expected power, ₹ 651 crore deferred tax liability have been met by withdrawal from corresponding General Reserves, leaving no impact on profit for the quarter and the year ended March 31, 2012. Such withdrawals have been included/ reflected in the Statement of Profit and Loss.

While the Company has been legally advised that such inclusion in the Statement of Profit and Loss is in accordance with Revised Schedule VI of the Companies Act, 1956 the Company is also seeking clarification from ICAI that such inclusion in the Statement of Profit and Loss is not contrary to Revised Schedule VI. This Accounting treatment has been referred to by the Auditors of the Company in their Report.

5. The Board of Directors has recommended a dividend of Re. 0.25 per equity share of ₹ 5 each i.e. 5% for the financial year ended on 31st March, 2012, subject to approval of the shareholders at the ensuing Annual General Meeting.
6. The Company is operating with Wireless, GEBU, 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 2011 - 12. Standalone financial results, for the quarter and year ended 31st March, 2012 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.
8. Figures of the previous year have been regrouped and reclassified, wherever required.
9. Additional information on stand-alone basis is as follows:

(₹ in Crore)

Particulars	Quarter ended			Year ended	
	31-Mar-12	31-Dec-11	31-Mar-11	31-Mar-12	31-Mar-11
	Unaudited	Unaudited	Unaudited	Audited	Audited
Total Income	2,840	3,007	3,399	11,863	13,282
Profit / (Loss) before tax	805	(277)	472	156	(860)
Profit / (Loss) after tax	805	(277)	472	156	(758)

10. Formula used for the computation of ratios:
 - i) Debt Equity Ratio = Debt/ Equity;
 - ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest, tax/ (Interest + Net Principal repayment);
 - iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/ (Interest expense)
11. After review by the Audit Committee, the Board of Directors of the Company have approved the above results at their meeting held on May 26, 2012.

For **Reliance Communications Limited**

Place: Mumbai
Date : May 26, 2012

Anil D. Ambani
Chairman

