

Reliance Communications Limited

Reliance 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 Half year ended 30th September, 2011

( ₹ in Cr - Except EPS and Share Data)

Sl. No.	Particulars	Quarter ended		Half year ended		Year ended
		30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10	31-Mar-11
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	a) Net Income from Operations	2,843	3,082	5,676	6,123	11,989
	b) Other Operating Income	-	-	2	136	141
	<b>Total Income</b>	<b>2,843</b>	<b>3,082</b>	<b>5,678</b>	<b>6,259</b>	<b>12,130</b>
2	<b>Expenditure</b>					
	a) Access Charges	702	683	1,421	1,350	2,759
	b) License Fee	225	255	438	514	962
	c) Employee Cost	142	157	286	324	608
	d) Passive Infrastructure Charges	556	1,073	1,157	2,113	3,620
	e) Depreciation and Amortisation	391	371	763	777	1,594
	f) Other Expenses	897	917	1,763	1,843	3,759
	<b>Total</b>	<b>2,913</b>	<b>3,456</b>	<b>5,828</b>	<b>6,921</b>	<b>13,302</b>
3	<b>Profit / (Loss) from Operations before Other Income, Financial Charges and Exceptional Items (1-2)</b>	<b>(70)</b>	<b>(374)</b>	<b>(150)</b>	<b>(662)</b>	<b>(1,172)</b>
4	Other Income	8	8	27	16	484
5	Amortisation of Compensation under Employee Stock Option Scheme	-	-	-	-	(7)
6	<b>Profit / (Loss) before Financial Charges and Exceptional Items (3+4-5)</b>	<b>(62)</b>	<b>(366)</b>	<b>(123)</b>	<b>(646)</b>	<b>(681)</b>
7	Financial Charges (Net)	37	110	248	321	179
8	<b>Profit / (Loss) after Financial Charges but before Exceptional Items (6 - 7)</b>	<b>(99)</b>	<b>(476)</b>	<b>(371)</b>	<b>(967)</b>	<b>(860)</b>
9	Exceptional Items	-	-	-	-	-
10	<b>Profit / (Loss) from Ordinary Activities before Tax (8 - 9)</b>	<b>(99)</b>	<b>(476)</b>	<b>(371)</b>	<b>(967)</b>	<b>(860)</b>
11	Tax Expenses	-	-	-	-	(102)
12	<b>Net Profit / (Loss) for the period (10 - 11)</b>	<b>(99)</b>	<b>(476)</b>	<b>(371)</b>	<b>(967)</b>	<b>(758)</b>
13	Paid-up Equity Share Capital (Face Value of Rs.5 each)	1,032	1,032	1,032	1,032	1,032
14	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year					47,031
15	Debenture Redemption Reserve	82	82	82	82	82
16	<b>Earning per Share (EPS) (not annualised)</b>					
	i) Basic (Rs.)	(0.47)	(2.31)	(1.80)	(4.69)	(3.67)
	ii) Diluted (Rs.)	(0.47)	(2.31)	(1.80)	(4.69)	(3.67)
17	Debt Equity Ratio (Refer Note 5)	-	-	0.58	0.67	0.65
18	Debt Service Coverage Ratio (DSCR) (Refer Note 5)	-	-	0.05	(0.36)	0.03
19	Interest Service Coverage Ratio (ISCR) (Refer Note 5)	-	-	1.21	(0.63)	1.15

( ₹ In Cr - Except EPS and Share Data)

Sl. No.	Particulars	Quarter ended		Half year ended		Year ended
		30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10	31-Mar-11
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
20	Public Shareholding					
	Number of Shares	663,318,324	666,296,821	663,318,324	666,296,821	663,296,821
	Percentage of Shareholding	32.14%	32.28%	32.14%	32.28%	32.14%
21	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	NA	N.A	N.A	NA
	- Percentage of Shares ( as a % of the total share capital of the company)	N.A	NA	N.A	N.A	NA
	b) Non -encumbered					
	- Number of Shares	1,400,708,557	139,77,30,060	1,400,708,557	139,77,30,060	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%	67.72%	67.86%	67.72%	67.86%
<b>Segment wise Revenue, Results and Capital Employed</b>						
22	<b>Segment Revenue</b>					
	a) Wireless	2,341	2,655	4,688	5,395	10,231
	b) GEBU	1,302	1,269	2,560	2,514	5,480
	c) Others / Unallocated	8	12	27	44	284
	<b>Total</b>	<b>3,651</b>	<b>3,936</b>	<b>7,275</b>	<b>7,953</b>	<b>15,995</b>
	Less: Inter segment revenue	800	846	1,570	1,678	3,381
	<b>Net Income from Operations</b>	<b>2,851</b>	<b>3,090</b>	<b>5,705</b>	<b>6,275</b>	<b>12,614</b>
23	<b>Segment Results</b>					
	Profit / (Loss) before Tax and Financial Charges from each segment					
	a) Wireless	7	(85)	(20)	(143)	27
	b) GEBU	111	(55)	237	(122)	(222)
	c) Others / Unallocated	(180)	(226)	(340)	(381)	(493)
	<b>Total</b>	<b>(62)</b>	<b>(366)</b>	<b>(123)</b>	<b>(646)</b>	<b>(688)</b>
	Less : Financial Charges (Net)	37	110	248	321	179
	Less : Exceptional Items	-	-	-	-	-
	Less : Amortisation of Compensation under Employee Stock Option Scheme	-	-	-	-	(7)
	<b>Total Profit / (Loss) before Tax</b>	<b>(99)</b>	<b>(476)</b>	<b>(371)</b>	<b>(967)</b>	<b>(860)</b>
24	<b>Capital Employed</b>					
	(Segment assets - Segment liabilities)					
	a) Wireless	30,384	32,771	30,384	32,771	33,572
	b) GEBU	3,251	3,857	3,251	3,857	2,992
	c) Others / Unallocated	40,646	44,682	40,646	44,682	43,033
	<b>Total</b>	<b>74,281</b>	<b>81,310</b>	<b>74,281</b>	<b>81,310</b>	<b>79,597</b>

<b>25 Statement of Assets and Liabilities</b>			
Particulars	30-Sep-11		30-Sep-10
	Unaudited		Unaudited
<b>Shareholder's Funds</b>			
(a) Capital		1,032	1,032
(b) Reserves and Surplus		45,972	47,755
<b>Loan Funds</b>		27,277	32,523
<b>TOTAL</b>		<b>74,281</b>	<b>81,310</b>
Fixed Assets		37,884	38,512
Investments		31,887	35,098
<b>Current Assets, Loans and Advances</b>			
(a) Inventories		322	283
(b) Sundry Debtors		2,347	1,724
(c) Cash and Bank balances		800	202
(d) Other Current Assets		2,644	2,275
(e) Loans & Advances		9,834	13,378
		<b>15,947</b>	<b>17,862</b>
<b>Less: Current Liabilities and Provisions</b>			
(a) Liabilities		8,636	6,819
(b) Provisions		2,801	3,343
		<b>11,437</b>	<b>10,162</b>
<b>Net Current Assets</b>		<b>4,510</b>	<b>7,700</b>
<b>TOTAL</b>		<b>74,281</b>	<b>81,310</b>

## Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. Pursuant to the Scheme of Arrangement ("the Scheme") sanctioned on 29<sup>th</sup> April, 2011 by the Hon'ble High Court of Judicature at Mumbai, the Company is permitted to adjust variations on account of changes in exchange rates relating to loans/ liabilities/ derivatives denominated in foreign currency taken/ incurred which have been or are required to be debited/ credited to profit and loss account by a corresponding withdrawal or credit from/ to General Reserve of ₹ 37,489 crore as at 30<sup>th</sup> September, 2011, as determined by the Board of Directors. During the quarter ended 30<sup>th</sup> September, 2011, the Company has seen such variation of ₹ 2,124 crore. Above treatment has no impact on the profit and loss account of the quarter and half year ended on 30<sup>th</sup> September, 2011 as the same has not been considered therein and the necessary effect, if any, will be carried out at the year- end. Consequently, on mark-to-market valuation, Loan funds/ liabilities denominated in foreign currency and Reserve and Surplus would have been ₹ 22,266 crores and ₹ 43,848 crore respectively as at 30<sup>th</sup> September, 2011.
3. The Hon'ble Supreme Court, vide its judgment dated 11<sup>th</sup> October, 2011, has set aside the Order of TDSAT dated 30<sup>th</sup> August, 2007 and held that TDSAT can look into the facts and materials related to the demand, if any, is raised on a particular licensee by Department of Telecommunications (DoT); provided such demand is disputed by the licensee. Further course of action including the financial impact, if any, in connection with the aforesaid judgment is being determined.
4. 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".
5. 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 + Principal repayment);
  - iii ) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/ (Interest expense)
6. No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 23 complaints were received and all the complaints were resolved.
7. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 12th November, 2011 and the same is subjected to limited review.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 12th November, 2011

**Anil D. Ambani**  
**Chairman**