

Reliance Communications Limited

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, 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	
<b>1</b>	<b>Income from operations</b>						
	(a) Net Income from Operations	2,645	2,787	2,894	11,107	11,989	
	(b) Other Operating Income	-	1	(0)	3	141	
	<b>Total Income from Operations</b>	<b>2,645</b>	<b>2,788</b>	<b>2,894</b>	<b>11,110</b>	<b>12,130</b>	
<b>2</b>	<b>Expenditure</b>						
	(a) Access Charges	597	646	704	2,664	2,759	
	(b) License Fee	211	247	213	896	962	
	(c) Employee Cost	70	120	117	476	601	
	(d) Depreciation and Amortisation	506	472	421	1,741	1,594	
	(e) Other Expenditure	237	1,509	1,397	4,666	7,380	
	<b>Total Expenditure</b>	<b>1,621</b>	<b>2,994</b>	<b>2,852</b>	<b>10,443</b>	<b>13,296</b>	
<b>3</b>	<b>Profit / (Loss) from Operations before Other Income, Financial Cost and Exceptional Items (1 - 2)</b>	<b>1,024</b>	<b>(206)</b>	<b>42</b>	<b>667</b>	<b>(1,166)</b>	
4	Other Income	195	219	506	753	1,152	
<b>5</b>	<b>Profit / (Loss) before Financial Cost and Exceptional Items (3 + 4)</b>	<b>1,219</b>	<b>13</b>	<b>548</b>	<b>1,420</b>	<b>(14)</b>	
6	Financial Cost	415	290	75	1,265	846	
<b>7</b>	<b>Profit / (Loss) after Financial Cost and before Exceptional Items (5 - 6)</b>	<b>804</b>	<b>(277)</b>	<b>473</b>	<b>155</b>	<b>(860)</b>	
8	Exceptional Items (refer note 2)	-	-	-	-	-	
<b>9</b>	<b>Profit / (Loss) from Ordinary Activities before Tax (7 - 8)</b>	<b>804</b>	<b>(277)</b>	<b>473</b>	<b>155</b>	<b>(860)</b>	
10	Tax Expenses	(0)	(0)	(102)	(1)	(102)	
<b>11</b>	<b>Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)</b>	<b>804</b>	<b>(277)</b>	<b>575</b>	<b>156</b>	<b>(758)</b>	
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	
<b>13</b>	<b>Net Profit / (Loss) for the period (11 - 12)</b>	<b>804</b>	<b>(277)</b>	<b>575</b>	<b>156</b>	<b>(758)</b>	
14	Paid-up Equity Share Capital (Face Value of ₹ 5 each)	1,032	1,032	1,032	1,032	1,032	
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	47,031	
<b>16</b>	<b>Earning per Share (EPS) before and after Extraordinary Items (not annualised)</b>						
	- Basic (₹)	3.90	(1.34)	2.78	0.76	(3.67)	
	- Diluted (₹)	3.82	(1.34)	2.67	0.73	(3.67)	
<b>17</b>	<b>Debt Equity Ratio (Refer Note 8)</b>	-	-	-	0.67	0.65	
<b>18</b>	<b>Debt Service Coverage Ratio (DSCR) (Refer Note 8)</b>	-	-	-	0.70	0.21	
<b>19</b>	<b>Interest Service Coverage Ratio (ISCR) (Refer Note 8)</b>	-	-	-	2.36	2.40	

PART II						
Select Information						
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
<b>A</b>	<b>Particulars of Shareholding</b>					
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	<b>Promoters and Promoter Group Shareholding</b>					
	(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>B Investor Complaints</b>		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	<b>Segment Revenue</b>						
	(a) Wireless	2,170	2,339	2,630	9,196	10,619	
	(b) GEBU	1,100	1,197	1,296	4,857	5,091	
	(c) Others / Unallocated	229	178	324	746	953	
	<b>Total</b>	<b>3,499</b>	<b>3,714</b>	<b>4,250</b>	<b>14,799</b>	<b>16,663</b>	
	Less: Inter segment revenue	(659)	(707)	(850)	(2,936)	(3,381)	
	<b>Income from Operations</b>	<b>2,840</b>	<b>3,007</b>	<b>3,400</b>	<b>11,863</b>	<b>13,282</b>	
2	<b>Segment Results</b>						
	Profit / (Loss) before Tax and Financial Charges from each segment						
	(a) Wireless	563	(71)	405	478	60	
	(b) GEBU	395	111	(8)	748	(245)	
	(c) Others / Unallocated	261	(27)	151	194	171	
	<b>Total</b>	<b>1,219</b>	<b>13</b>	<b>548</b>	<b>1,420</b>	<b>(14)</b>	
	Less : Financial Cost	415	290	75	1,265	846	
	Less : Exceptional Items	-	-	-	-	-	
	<b>Total Profit / (Loss) before Tax</b>	<b>804</b>	<b>(277)</b>	<b>473</b>	<b>155</b>	<b>(860)</b>	
3	<b>Capital Employed</b>						
	(Segment assets - Segment liabilities)						
	(a) Wireless	31,755	32,680	33,572	31,755	33,572	
	(b) GEBU	1,859	2,924	2,992	1,859	2,992	
	(c) Others / Unallocated	41,376	40,509	43,033	41,376	43,033	
	<b>Total</b>	<b>74,990</b>	<b>76,113</b>	<b>79,597</b>	<b>74,990</b>	<b>79,597</b>	

Standalone Statement of Assets and Liabilities		(₹ in Crore )	
		As at	
	Particulars	31-Mar-12	31-Mar-11
		Audited	Audited
<b>A</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Shareholder's Fund</b>		
	(a) Share Capital	1,032	1,032
	(b) Reserves and Surplus	44,165	47,112
	<b>Sub-total - Shareholders' Fund</b>	<b>45,197</b>	<b>48,144</b>
<b>2</b>	<b>Non Current Liabilities</b>		
	(a) Long Term Borrowings	23,365	13,606
	(b) Deferred Tax Liabilities (Net)	-	-
	(c) Other Long Term Liabilities	169	60
	(d) Long Term Provisions	4,339	3,223
	<b>Sub-total - Non Current Liabilities</b>	<b>27,873</b>	<b>16,889</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Short Term Borrowings	4,506	9,530
	(b) Trade Payables	1,150	1,029
	(c) Other Current Liabilities	4,707	11,628
	(d) Short Term Provisions	2,572	2,784
	<b>Sub-total - Current Liabilities</b>	<b>12,935</b>	<b>24,971</b>
	<b>Total Equity and Liabilities</b>	<b>86,005</b>	<b>90,004</b>
<b>B</b>	<b>Assets</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Fixed Assets	38,149	38,729
	(b) Non Current Investments	31,889	32,102
	(c) Foreign Currency Monetary Item Translation Difference	299	-
	(d) Long Term Loans and Advances	4,307	3,903
	<b>Sub-total - Non Current Assets</b>	<b>74,644</b>	<b>74,734</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Current Investment	0	0
	(b) Inventories	329	306
	(c) Trade Receivables	1,932	1,538
	(d) Cash and Cash Equivalentents	178	3,813
	(e) Short Term Loans and Advances	6,800	7,348
	(f) Other Current Assets	2,122	2,265
	<b>Sub-total - Current Assets</b>	<b>11,361</b>	<b>15,270</b>
	<b>Total Assets</b>	<b>86,005</b>	<b>90,004</b>

## Notes

1. 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 ₹ 1,336 crore of exchange differences on long term borrowing relating to the acquisition of depreciable capital assets to the cost of capitalized assets. Further, the Company has accumulated foreign currency variations of ₹ 315 crore arising on other long-term foreign currency monetary items in "Foreign Currency Monetary item Translation Difference account", out of which, ₹ 16 crore has been amortised during the year leaving balance which will be amortized over the balance period of loans.
2. Pursuant to the direction of the Hon'ble High Court of judicature of Bombay and option exercised by the Board of the Company, in accordance with and as per the Schemes of Arrangements approved by the Hon'ble High Court vide orders dated July 3, 2009 and April 29, 2011 respectively binding on the Company, expenses and/ or losses, identified by the Board of the Company 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 ₹ 269 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, ₹ 74 crore unrealized net losses, ₹ 775 crore regarded as an adjustment to interest cost, on account of restating monetary items expressed in foreign currency at year end prevailing rates, as also ₹ 199 crore of realized 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 46A of 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 1 above), 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.

3. Expenses under the heads Provision for Employees Cost and Other Expenses are net of recoveries for common cost from Reliance Telecom Limited (RTL), a wholly owned subsidiary of the Company. This is in addition to the common costs, which the Company continues to recover over the years, from Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Company and Reliance Infratel Limited (RITL), a subsidiary of RCIL. Such amounts for the earlier quarters and accounted for recovery from RTL in the current quarter amount to ₹ 72 crore for Employee Cost and Other expenses of ₹ 89 crore which includes Sales and General Administrative Expenses comprising of ₹ 9 crore for Advertising Expenses, and ₹ 43 crore for Hire charges.

Other expenses include Network expenses net of remission of charges of ₹ 821 crore for the deficiency in Passive Infrastructure Services by Reliance Infratel Limited (RITL), a subsidiary of the Company pursuant to the Service Level Agreement between the parties. The amount comprises of ₹ 476 crore for the previous year and ₹ 268 crore pertaining to earlier quarters and accounted in the current quarter.

4. The Board of Directors have 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.
5. Figures for the quarter ended March 31, 2012 and March 31, 2011 are balancing figure between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year.
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. Figures of the previous year have been regrouped and reclassified, wherever required.
8. 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)
9. 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**