

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 March 31, 2013

PART I		(₹ in Crore)				
Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-13	31-Dec-12	31-Mar-12	31-Mar-13	31-Mar-12
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	<b>Income from operations</b>					
	(a) Net Income from Operations	4,985	4,797	4,578	19,294	18,716
	(b) Other Operating Income	145	339	432	1,267	961
	<b>Total Income from Operations</b>	<b>5,130</b>	<b>5,136</b>	<b>5,010</b>	<b>20,561</b>	<b>19,677</b>
2	<b>Expenses</b>					
	(a) Access Charges	723	709	554	2,676	2,477
	(b) License Fee	285	267	286	1,115	1,132
	(c) Employee Cost	213	318	308	1,189	1,283
	(d) Depreciation and Amortisation	1,089	934	970	3,845	3,978
	(e) Other Expenses	2,517	2,354	2,530	9,639	9,000
	<b>Total Expenses</b>	<b>4,827</b>	<b>4,582</b>	<b>4,648</b>	<b>18,464</b>	<b>17,870</b>
3	<b>Profit from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)</b>	<b>303</b>	<b>554</b>	<b>362</b>	<b>2,097</b>	<b>1,807</b>
4	Other Income	826	165	300	1,217	705
5	<b>Profit before Finance Costs and Exceptional Items (3 + 4)</b>	<b>1,129</b>	<b>719</b>	<b>662</b>	<b>3,314</b>	<b>2,512</b>
6	Finance Costs	747	605	579	2,499	1,630
7	<b>Profit after Finance Costs but before Exceptional Items (5 - 6)</b>	<b>382</b>	<b>114</b>	<b>83</b>	<b>815</b>	<b>882</b>
8	Exceptional Items (Refer Note 5)	-	-	(1)	-	-
9	<b>Profit from Ordinary Activities before Tax (7 - 8)</b>	<b>382</b>	<b>114</b>	<b>84</b>	<b>815</b>	<b>882</b>
10	Tax Expenses	75	-	(119)	71	(106)
11	<b>Net Profit from Ordinary Activities after Tax (9 - 10)</b>	<b>307</b>	<b>114</b>	<b>203</b>	<b>744</b>	<b>988</b>
12	Extraordinary Items (net of tax expense)	-	-	-	-	-
13	<b>Net Profit for the period (11 - 12)</b>	<b>307</b>	<b>114</b>	<b>203</b>	<b>744</b>	<b>988</b>
14	Share of Profit/(Loss) of Associates	1	(1)	1	(1)	(1)
15	Minority Interest	3	10	(130)	73	61
16	<b>Net Profit after Taxes, Minority Interest and share of profit / (loss) of Associates (13 - 14 - 15)</b>	<b>303</b>	<b>105</b>	<b>332</b>	<b>672</b>	<b>928</b>
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	-	-	-	-	35,264
19	<b>Earnings per Share (EPS) before and after Extraordinary Items (not annualised)</b>					
	- Basic (Rs.)	1.46	0.51	1.61	3.25	4.50
	- Diluted (Rs.)	1.46	0.51	1.61	3.25	4.41
20	Debt Equity Ratio (Refer Note 10)				1.19	1.01
21	Debt Service Coverage Ratio (DSCR) (Refer Note 10)				1.26	1.12
22	Interest Service Coverage Ratio (ISCR) (Refer Note 10)				3.08	4.46

PART II						
Select Information						
Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-2013	31-Dec-2012	31-Mar-2012	31-Mar-2013	31-Mar-2012
		Unaudited	Unaudited	Unaudited	Audited	Audited
<b>A</b>	<b>Particulars of Shareholding</b>					
1	<b>Public Shareholding</b>					
	Number of Shares	663,318,324	663,318,324	663,318,324	663,318,324	663,318,324
	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	1,400,708,557	1,400,708,557	1,400,708,557
	- 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</b>	<b>Investor Complaints</b>	
	<b>Particulars</b>	<b>Quarter ended 31-Mar-2013</b>
	Pending at the beginning of the quarter	Nil
	Received during the quarter	33
	Disposed off during the quarter	33
	Remaining unresolved at the end of the quarter	Nil

Segment wise Revenue, Results and Capital Employed							(₹ in Crore )
Sl. No.	Particulars	Quarter ended			Year ended		
		31-Mar-13	31-Dec-12	31-Mar-12	31-Mar-13	31-Mar-12	
		Unaudited	Unaudited	Unaudited	Audited	Audited	
1	<b>Segment Revenue</b>						
	(a) Wireless	4,626	4,515	4,505	18,090	17,696	
	(b) GEBU	2,466	2,454	2,440	9,804	9,418	
	(c) Others / Unallocated	777	223	270	1,462	1,100	
	<b>Total</b>	<b>7,869</b>	<b>7,192</b>	<b>7,215</b>	<b>29,356</b>	<b>28,214</b>	
	Less: Inter segment revenue	(1,913)	(1,891)	(1,905)	(7,578)	(7,832)	
	<b>Income from Operations</b>	<b>5,956</b>	<b>5,301</b>	<b>5,310</b>	<b>21,778</b>	<b>20,382</b>	
2	<b>Segment Results</b>						
	Profit / (Loss) before Tax and Finance Cost from each segment						
	(a) Wireless	593	663	524	2,549	2,431	
	(b) GEBU	226	262	398	1,117	1,093	
	(c) Others / Unallocated	310	(206)	(260)	(352)	(1,012)	
	<b>Total</b>	<b>1,129</b>	<b>719</b>	<b>662</b>	<b>3,314</b>	<b>2,512</b>	
	Less : Finance Costs	747	605	579	2,499	1,630	
	Less : Exceptional Items	-	-	(1)	-	-	
	<b>Total Profit before Tax</b>	<b>382</b>	<b>114</b>	<b>84</b>	<b>815</b>	<b>882</b>	
3	<b>Capital Employed</b>						
	(Segment assets - Segment liabilities)						
	(a) Wireless	56,659	55,396	56,352	56,659	56,352	
	(b) GEBU	15,313	16,125	10,212	15,313	10,212	
	(c) Others / Unallocated	4,150	6,694	9,914	4,150	9,914	
	<b>Total</b>	<b>76,122</b>	<b>78,215</b>	<b>76,478</b>	<b>76,122</b>	<b>76,478</b>	

<b>Consolidated Statement of Assets and Liabilities</b>		(₹ in Crore )	
	Particulars	As at	As at
		31-Mar-13	31-Mar-12
		Audited	Audited
<b>A</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Shareholder's Funds</b>		
	(a) Share Capital	1,032	1,032
	(b) Reserves and Surplus	32,818	35,264
	<b>Sub-total - Shareholders' Fund</b>	<b>33,850</b>	<b>36,296</b>
<b>2</b>	<b>Minority Interest</b>	<b>725</b>	<b>860</b>
<b>3</b>	<b>Non Current Liabilities</b>		
	(a) Long Term Borrowings	28,678	29,646
	(b) Deferred Tax Liabilities (Net)	1,372	1,018
	(c) Other Long Term Liabilities	1,233	1,217
	(d) Long Term Provisions	885	824
	<b>Sub-total - Non Current Liabilities</b>	<b>32,168</b>	<b>32,705</b>
<b>4</b>	<b>Current Liabilities</b>		
	(a) Short Term Borrowings	8,800	5,539
	(b) Trade Payables	2,364	2,318
	(c) Other Current Liabilities	10,401	11,881
	(d) Short Term Provisions	1,874	2,666
	<b>Sub-total - Current Liabilities</b>	<b>23,439</b>	<b>22,404</b>
	<b>Total Equity and Liabilities</b>	<b>90,182</b>	<b>92,265</b>
<b>B</b>	<b>Assets</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Fixed Assets	69,252	71,478
	(b) Goodwill on Consolidation	5,125	5,009
	(c) Non Current Investments	111	133
	(e) Long Term Loans and Advances	3,210	2,482
	(f) Other Non Current Assets	223	618
	<b>Sub-total - Non Current Assets</b>	<b>77,921</b>	<b>79,720</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Current Investment	551	519
	(b) Inventories	497	566
	(c) Trade Receivables	3,911	3,584
	(d) Cash and Cash Balances	731	550
	(e) Short Term Loans and Advances	4,581	4,988
	(f) Other Current Assets	1,990	2,338
	<b>Sub-total - Current Assets</b>	<b>12,261</b>	<b>12,545</b>
	<b>Total Assets</b>	<b>90,182</b>	<b>92,265</b>

## Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. In accordance with the notification issued by the Ministry of Corporate Affairs (MCA) on August 9, 2012, the Company has, during the year, added ₹ 705 crore to the cost of capitalised assets and ₹ 287 crore to the Foreign Currency Monetary Items Translation Difference Account by reversing the exchange difference regarded as an adjustment to interest cost on account of restating long term monetary items expressed in foreign currency at year end prevailing rates in accordance with para 4(e) of Accounting Standard 16 "Borrowing Costs". The said interest was adjusted by withdrawal of an equivalent amount from General Reserve during the previous year ended March 31, 2012 and hence, it has been credited to General Reserve.
3. BPO Division of Reliance BPO Private Limited ("RBPO"), a wholly owned Subsidiary of Reliance Communications Infrastructure Limited ("RCIL"), a wholly owned subsidiary of the Company, has been demerged into RCIL pursuant to the Scheme of Amalgamation ("the Scheme") under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of judicature at Bombay vide Order dated December 20, 2012, with an Appointed Date being April 1, 2012. Upon the Scheme becoming effective on February 20, 2013, all the assets and liabilities as appearing in the books of accounts relating to BPO Division as on the Appointed Date have been recorded in the books of RCIL at their respective book values and investment in Preference Shares of RBPO is debited to Statement of Profit and Loss and adjusted by withdrawing an equivalent amount from Share Premium Account. Excess of liabilities of ₹ 470 crore over assets has been charged to Share Premium Account by RCIL and as required for consolidation to General Reserve.
4. Pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by Hon'ble High Court of Judicature at Bombay vide orders dated July 21, 2006 and August 10, 2006 (revised) and by Hon'ble High Court of Gujarat vide order dated July 18, 2006, out of the excess of fair value of assets over liabilities, ₹ 3,000 crore was credited to and held as Provision for Business Restructuring (PBR) to meet increased depreciation cost, expenses and losses including on account of impairment or write down of assets which would be suffered by the Company, pursuant to the Scheme or otherwise in course of its business or in carrying out such restructuring of the operations of the Company or its subsidiaries. The Company has reassessed the requirement for maintaining such PBR and based thereon, reversed ₹ 550 crore during the year as no longer required, leaving balance of ₹ 488 crore being dealt with in accordance with the said Scheme. The said amount of reversal of PBR has been reflected as part of Other Income.
5. Pursuant to the direction of the Hon'ble High Court of judicature at 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 Communications 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 ₹ Nil (Previous year ₹ 1,107 crore) of debts due and subsidy claimed from the Government, ₹ 325 (Previous year ₹ Nil) by impairment of capital work in progress, ₹ Nil (Previous year ₹ 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, ₹ 275 crore (Previous year ₹ Nil) of depreciation consequent to addition of exchange differences on long term borrowing relating to capital assets to the cost of capitalised assets, as also ₹ 203 crore (Previous year ₹ 576 crore) of net losses on settlement of items recovered and/ or discharged in foreign currency, ₹ 638 crore

(Previous year ₹ 45 crore) being amortisation of Foreign Currency Monetary Item Translation Difference Account, 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, ₹ 62 crore (Previous year ₹ 70 crore) fuel cost considered to be incremental and arising from the non availability of contracted or expected power, ₹ 385 crore (Previous year ₹ 651 crore) deferred tax liability have been met by withdrawal from corresponding General Reserves, leaving no impact on profit for the year ended March 31, 2013. 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, in anticipation of clarification sought 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.

6. Department of Telecommunication (DoT) has, during the quarter, issued demand on the Company for ₹ 1,758 crore towards levy of one time Spectrum Charges, being the prospective charges for holding CDMA Spectrum beyond 2.5 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. DoT has also issued a demand on the Subsidiary of the Company one time Spectrum Charges, being retrospective charges of ₹ 5 crore for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and prospective charge of ₹ 169 crore for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. Based on a petition filed by the Company, the Hon'ble High Court of Kolkata, vide its orders dated February 14, 2013 and April 19, 2013 has stayed the operation of the impugned demand till further order. The Company is of the opinion that the said demand, *inter alia*, is an alteration of financial terms of the licenses issued in the past and has also been legally advised. Accordingly, no provision in this regard is required.
7. 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 March 31, 2013, subject to approval of the shareholders at the ensuing Annual General Meeting.
8. 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".
9. Figures for the quarter ended March 31, 2013 and March 31, 2012 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
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 + Principal repayment);
  - iii ) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/ (Interest expense)
11. The Company has opted to publish consolidated financial results for the year 2012 - 13. Standalone financial results, for the quarter and year ended March 31, 2013 can be viewed on the website of the Company, National Stock Exchange of India Limited and BSE Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.

12. Additional information on standalone basis is as follows:

(₹ in crore)

Particulars	Quarter ended			Year ended	
	31-Mar-2013	31-Dec-2012	31-Mar-2012	31-Mar-2013	31-Mar-2012
	Unaudited	Unaudited	Unaudited	Audited	Audited
Total Income	3,673	3,294	2,840	12,820	11,863
Profit before tax	757	110	804	624	156
Profit after tax	757	110	804	624	156

13. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on May 10, 2013.

**For Reliance Communications Limited**

Place: Mumbai  
Date : May 10, 2013

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