

Reliance Communications Limited

Reliance Anil Dhirubhai Ambani Group

Regd. Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710.

www.reliancecommunications.co.in

Audited Financial Results (Consolidated) for the Year ended 31st March, 2008

(Rs. in crore - except EPS and share data)

Sr. No.	Particulars	Twelve months ended		Previous Year ended (Fifteen months)
		31-Mar-08 Audited	31-Mar-07 Unaudited	31st- Mar-07 Audited
1	Income from Operations	18,827.39	14,262.47	17,190.37
2	Other Income	240.37	205.82	249.88
3	Total Income (1+2)	19,067.76	14,468.29	17,440.25
4	Expenditure			
	a) Access Charges	2,819.65	2,728.76	3,530.50
	b) License Fee	1,238.64	1,053.46	1,243.81
	c) Employee Cost	1,203.68	907.90	1,128.80
	d) Depreciation and Amortization	2,805.26	2,465.30	2,919.28
	e) Other Expenses	5,606.72	4,057.54	4,844.33
	Total	13,673.95	11,212.96	13,666.72
5	Financial Charges (Net)	(399.70)	0.37	64.68
6	Exceptional Items	(1,282.78)	30.24	109.32
7	Profit Before tax (3 - 4 - 5 - 6)	7,076.29	3,224.72	3,599.53
8	Provision for Taxation (including Fringe Benefit Tax and Deferred Tax)	283.62	61.55	73.10
9	Profit after tax (Before adjustment of Minority Interest and Associates) (7- 8)	6,792.67	3,163.17	3,526.43
10	Share of Minority Interest	1,390.06	(4.95)	(4.92)
11	Share of Associates	1.47	0.53	0.53
12	Profit after Tax (after adjustment of Minority Interest and Associates) (9 - 10 - 11)	5,401.14	3,167.59	3,530.82
13	Paid-up Equity Share Capital (Face Value of Rs.5 each)	1,032.01	1,022.31	1,022.31
14	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year			21,908.34
15	Earning per Share (Not annualized)			
	- Basic (Rs.)	26.32	15.74	17.56
	- Diluted (Rs.)	24.97	15.45	16.71
16	Public Shareholding			
	- Number of equity shares of Rs. 5 each	699,215,821	679,803,930	679,803,930
	- Percentage of shareholding	33.88%	33.25%	33.25%

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Segment-wise (Consolidated) Revenue, Results and Capital Employed

Sr. No.	Particulars	Twelve months ended		Previous Year ended (Fifteen months)
		31-Mar-08	31-Mar-07	31st- Mar-07
		Audited	Unaudited	Audited
17	Segment revenue			
	a) Wireless	15,213.54	10,727.61	12,818.43
	b) Global	5,475.06	5,176.98	7,050.79
	c) Broadband	1,786.73	1,144.14	1,312.98
	d) Investments	152.69	107.16	130.18
	e) Others / Unallocated	277.82	264.46	418.57
	Total	22,905.84	17,420.35	21,730.95
	Less: Inter segment Revenue	(3,838.08)	(2,952.06)	(4,290.70)
	Income from Operations	19,067.76	14,468.29	17,440.25
18	Segment results			
	Profit / (Loss) before tax and financial charges from each segment			
	a) Wireless	4,125.10	2,250.82	2,737.21
	b) Global	837.12	732.68	861.61
	c) Broadband	626.28	354.44	349.90
	d) Investments	152.63	95.75	111.13
	e) Others / Unallocated	(347.32)	(178.36)	(286.32)
	Total	5,393.81	3,255.33	3,773.53
	Less : Financial Charges (Net)	(399.70)	0.37	64.68
	Less : Exceptional Item	(1,282.78)	30.24	109.32
	Total Profit Before Tax	7,076.29	3,224.72	3,599.53
19	Capital Employed (Segment Assets - Segment Liabilities)			
	a) Wireless	29,948.19	15,646.17	15,646.17
	b) Global	8,599.94	5,684.65	5,684.65
	c) Broadband	4,290.40	3,029.83	3,029.83
	d) Investments	11,381.00	14,494.71	14,494.71
	e) Others / unallocated	3,344.16	1,519.23	1,519.23
	Total	57,563.69	40,374.59	40,374.59

Notes:

1. During the previous period, the financial year of the Company was for fifteen months from 1st January, 2006 to 31st March, 2007. To enable comparison, fifth quarter from 1st January, 2007 to 31st March, 2007 of the previous period and twelve months from 1st April, 2006 to 31st March, 2007 of the previous period have been reported as corresponding previous periods.
2. The Board has recommended a dividend of 15% i.e. Re. 0.75 per equity share of Rs. 5 each for the financial year 2007-08, subject to the approval of the shareholders at the ensuing Annual General Meeting.
3. As already reported in the quarterly results for the quarter ending 30th June, 2007, the Scheme of Arrangement (Scheme) for demerger of the passive infrastructure of the Company and Reliance Telecom Limited (RTL), a wholly owned subsidiary of the Company, to Reliance Infratel Limited (RITL, formerly known as Reliance Telecom Infrastructure Limited), another subsidiary of the Company, as approved by the Hon'ble High Court of Judicature at Bombay vide Order dated 16th March, 2007 became effective from 10th April, 2007. In accordance with the approval accorded in the Scheme, the Company has written-off passive infrastructure having book value of Rs. 3,165.56 crore through Profit and Loss Account and an equivalent amount has been drawn from General Reserve No. 1.
4. As already reported in the quarterly results for the quarter ending 30th September, 2007, exceptional items include Rs. 1,282.78 crore being the net gain on the sale during the year of 5% of the shares of RITL. The shares of the said subsidiary are held in Trust for the benefit of the Company and / or its shareholders and accordingly, the income attributable to the subsidiary viz. Rs. 1,282.78 crore is included in the computation of the minority interest. Consequently, there is no impact on the profit for the year.
5. As required by Accounting Standard 11 "The Effect of Changes in Foreign Exchange Rates" (AS) as notified by the Companies (Accounting Standards) Rules, 2006 applicable to the current accounting year commencing on 1st April, 2007, and in accordance with the announcement of Institute of Chartered Accountants of India dated 29th March, 2008 regarding Accounting for Derivatives, the Company and its subsidiaries, collectively referred to as the Group, has adopted with effect from 1st April, 2007 the accounting policy of crediting or charging to the Profit and Loss Account the gain or loss, as the case may be, on account of foreign exchange difference relating to liabilities for acquisition of fixed assets and on account of marking to market all derivative instruments. The net effect of these changes is a charge of Rs. 25.34 crore to the Profit and Loss Account for the year. If these changes had not been made the profit for the year would have been higher by this amount.
6. During this financial year, under the head "Financing Charges – Net", the Group has accounted an amount of Rs. 464.58 crore, being its share of profits including accrued interest and dividends on the units held by it in the fixed income schemes, in the year in which the income arises. As these amounts were not material; the same were not so accounted for in earlier years.
7. No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter 142 complaints were received and all the complaints were resolved.
8. The Company is operating Wireless, Broadband, Global, and Others / unallocated segments as per Accounting Standard 17 (Segment Reporting), issued by the Institute of Chartered Accountants of India, and accordingly segment wise information are given.

9. Standalone financial results, for the year ended on 31st March, 2008, of the Company can be viewed on the website of the Company, National Stock Exchange of India Limited and Bombay Stock Exchange Limited at www.reliancecommunications.co.in, www.nseindia.com, and www.bseindia.com respectively.
10. After review by the Audit Committee, Board of Directors of the Company has approved the above results at their meeting held on 30th April, 2008.

For Reliance Communications Limited

Place: Mumbai
Date: 30th April 2008

Anil D. Ambani
Chairman