

Reliance Communications Limited
Anil Dhirubhai Ambani Group
website: www.rcom.co.in

Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710
Unaudited Financial Results (Consolidated) for the Quarter and Year ended 31st March, 2009

(Rs. in Lakh - Except EPS and Share data)

Sl. No.	Particulars	Quarter ended		Year ended	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
		Unaudited	Unaudited	Unaudited	Audited
1	a) Net Income from Operations	552,280	494,780	2,072,638	1,714,848
	b) Other Operating Income	27,497	30,221	150,824	167,891
	Net Income from Operations	579,777	525,001	2,223,462	1,882,739
2	Expenditure				
	a) Access Charges	65,281	68,447	238,167	281,965
	b) License Fee	29,780	31,172	118,651	123,864
	c) Employee Cost	44,698	30,682	168,710	116,752
	d) Depreciation and Amortisation	114,256	78,559	393,133	280,526
	e) Other Expenditure	234,288	167,572	839,841	562,671
	Total	488,303	376,432	1,758,502	1,365,778
3	Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)	91,474	148,569	464,960	516,961
4	Other Income	32,590	6,137	70,645	24,037
5	Amortisation of Compensation under Employee Stock Option Scheme	(15,696)	1,617	747	1,617
6	Profit before Financial Charges and Exceptional Items (3 + 4 - 5)	139,760	153,089	534,858	539,381
7	Financial Charges (Net)	(16,781)	(808)	(78,667)	(39,970)
8	Profit after Financial Charges but before Exceptional Items (6 - 7)	156,541	153,897	613,525	579,351
9	Exceptional Items	-	6,105	-	128,278
10	Profit from Ordinary Activities before Tax (8 + 9)	156,541	160,002	613,525	707,629
11	Tax Expenses	4,855	(2,724)	(1,223)	28,362
12	Profit from Ordinary Activities after Tax (10 - 11)	151,686	162,726	614,748	679,267
13	Extraordinary Items (net of tax expense)	-	-	-	-
14	Net Profit for the period (12 - 13)	151,686	162,726	614,748	679,267
15	Share of Minority Interest	6,486	12,364	24,152	139,006
16	Share of Associates	(231)	36	(159)	147
17	Net Profit after Adjustment of share of Minority Interest and Associates (14 - 15 - 16)	145,431	150,326	590,755	540,114
18	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	103,201	103,201	103,201	103,201
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	2,799,432
20	Earning per Share (EPS) before and after Extraordinary Items (not annualised)				
	- Basic (Rs.)	7.05	6.70	28.62	26.32
	- Diluted (Rs.)	6.75	6.36	27.41	23.22
21	Public Shareholding				
	Number of Shares	674,165,821	699,215,821	674,165,821	699,215,821
	Percentage of Shareholding	32.66%	33.88%	32.66%	33.88%
22	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of Shares	272,345,338	NA	272,345,338	NA
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	19.60%		19.60%	
	- Percentage of Shares (as a % of the total share capital of the company)	13.19%		13.19%	
	b) Non -encumbered				
	- Number of Shares	1,117,515,722	NA	1,117,515,722	NA
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	80.40%		80.40%	
	- Percentage of Shares (as a % of the total share capital of the company)	54.15%		54.15%	

Segment wise Revenue, Results and Capital Employed

(Rs. in Lakh)

Sl. No.	Particulars	Quarter ended		Year ended	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
		Unaudited	Unaudited	Unaudited	Audited
23	Segment Revenue				
	a) Wireless	450,154	416,084	1,736,776	1,521,354
	b) Global	188,029	152,571	677,605	547,506
	c) Broadband	70,753	50,995	252,427	178,673
	d) Investments	7,013	2,430	34,520	15,269
	e) Others / Unallocated	24,307	4,406	66,462	27,782
	Total	740,256	626,486	2,767,790	2,290,584
	Less: Inter segment revenue	(127,889)	(95,348)	(473,683)	(383,808)
	Income from Operations	612,367	531,138	2,294,107	1,906,776
24	Segment Results				
	Profit / (Loss) before Tax and Financial Charges from each segment				
	a) Wireless	90,199	109,946	394,809	412,510
	b) Global	28,586	26,340	84,737	83,712
	c) Broadband	20,897	18,620	81,500	62,628
	d) Investments	7,013	2,424	34,520	15,263
	e) Others / Unallocated	(22,631)	(2,624)	(59,961)	(33,115)
	Total	124,064	154,706	535,605	540,998
	Less : Amortisation of Compensation under Employee Stock Option Scheme	(15,696)	1,617	747	1,617
	Less : Financial Charges (Net)	(16,781)	(808)	(78,667)	(39,970)
	Less : Exceptional Items	-	(6,105)	-	(128,278)
	Total Profit before Tax	156,541	160,002	613,525	707,629
25	Capital Employed				
	(Segment assets - Segment liabilities)				
	a) Wireless	4,333,788	2,994,820	4,333,788	2,994,820
	b) Global	1,207,369	859,994	1,207,369	859,994
	c) Broadband	555,958	429,040	555,958	429,040
	d) Investments	1,049,939	1,138,100	1,049,939	1,138,100
	e) Others / Unallocated	483,963	316,218	483,963	316,218
	Total	7,631,017	5,738,172	7,631,017	5,738,172

NOTES

- 1 Figures of the previous period have been regrouped and reclassified, wherever required.
- 2 The Company is pursuing aggressive capex plans which include significant expansion of nation wide wireless network. The Company has funded these initiatives primarily by long term borrowings in foreign currency and Foreign Currency Convertible Bonds (FCCBs). In compliance of Schedule VI of the Companies Act, 1956 (Schedule VI) and on the basis of legal advice received by the Company, changes to the amount of liability and borrowings related to acquisition of fixed assets consequent upon short term fluctuations in foreign exchange rates upto 30th March, 2009 are adjusted in the carrying cost of fixed assets.

Had the accounting treatment as per Accounting Standard ("AS") 11 been continued to be followed by the Company, the net profit after tax for the quarter and the year ended on 31st March, 2009 would have been lower by Rs.47,191 lakh and Rs.1,68,895 lakh for realized and Rs. 32,240 lakh and Rs. 2,84,385 lakh for unrealized currency exchange fluctuations respectively. This excludes an amount of Rs. 31,903 lakh and Rs.1,46,577 lakh for the quarter and the year ended on 31st March, 2009 on FCCBs for which the Company will not be liable, if the FCCBs are converted on or before the due date i.e. 1st May, 2011 and 18th February, 2012.

Pursuant to the amendment to Schedule VI, with effect from 31st March, 2009, the Company has with effect from 31st March, 2009 adopted the accounting treatment as per AS 11.
- 3 During the quarter, the Company has repurchased and cancelled 100 Foreign Currency Convertible Bonds (FCCBs) of the Face Value of USD 1,00,000 each, as per approval of the Reserve Bank of India, at a discount. This has resulted in a saving of Rs.1,586 lakh which has been reflected as part of Other Income. Consequent upon such repurchase and cancellation, the Company's obligations to convert the said FCCBs into Shares, if so claimed by the FCCB Holders and/ or to redeem the same in foreign currency, have come to an end vis-à-vis the cancelled FCCBs.
- 4 The Scheme of Arrangement for demerger of the Optical Fibre Division of the Company to Reliance Infratel Limited ("RITL"), a subsidiary of the Company and Schemes relating to its subsidiaries are pending final approval of Shareholders and/ or the Hon'ble High Court of Judicature at Mumbai.

Upon the Schemes becoming effective after receipt of Shareholders, Statutory and contractual approvals followed by filing with the Registrar of Companies, the Schemes will be given effect to in the audited financial statements for the year ended 31st March, 2009.
- 5 The Company operates two Employee Stock Option Schemes (ESOS 2008 and ESOS 2009). Amortization of compensation under Employee Stock Option Schemes includes a further charge of Rs. 747 lakh (Previous Year: Rs.1,617 lakh) for Options which have been vested under ESOS 2008. Amounts earlier charged in respect of surrendered Options under ESOS 2008 have been reversed in the quarter ended 31st March, 2009. No amount is chargeable in respect of Options granted under ESOS 2009.
- 6 Based on legal advise received, the Company and its key subsidiaries will not be liable for tax consequent upon deductions under incentive provisions such as Section 80 IA as also on account of deductions permitted in the computation of book profits for the purposes of Section 115 JB of the Income Tax Act. Provision in these unaudited financial statements for tax is limited to the provision which would be required in the audited financial statements, referred to in Note 4 above.
- 7 The Company is operating with Wireless, Broadband, Global, Investments and Others / Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of AS 17 "Segment Reporting".
- 8 The Company has opted to publish Consolidated financial results for the year 2008 - 09. Standalone financial results, for the quarter and year ended 31st March, 2009 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.
- 9 No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 184 complaints were received and all the complaints were resolved.
- 10 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 30th April, 2009.

For Reliance Communications Limited

Place: Mumbai
Date: 30th April, 2009

Anil D. Ambani
Chairman