

Reliance Communications Limited
Reliance Anil Dhirubhai Ambani Group
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 31st March, 2010

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

Sl. No.	Particulars	For the year ended	
		31-03-10	31-03-09
		Audited	Audited
1	a) Net Income from Operations	2,068,505	2,074,291
	b) Other Operating Income	81,133	150,763
	Net Income from Operations	2,149,638	2,225,054
2	Expenditure		
	a) Access Charges	213,773	238,167
	b) License Fee	114,511	118,651
	c) Employee Cost	150,007	167,655
	d) Depreciation, Impairment and Amortisation	374,652	360,770
	e) Other Expenditure	952,888	827,239
	Total	1,805,831	1,712,482
3	Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)	343,807	512,572
4	Other Income	63,590	69,792
5	Profit before Financial Charges and Exceptional Items (3 - 4)	407,397	582,364
6	Financial Charges	(118,633)	(38,055)
7	Profit after Financial Charges but before Exceptional Items (5 - 6)	526,030	620,419
8	Exceptional Items	3,747	747
9	Profit from Ordinary Activities before Tax (7 - 8)	522,283	619,672
10	Tax Expenses	44,539	(5,179)
11	Profit from Ordinary Activities after Tax (9 - 10)	477,744	624,851
12	Extraordinary Items (net of tax expense)	-	-
13	Net Profit for the period (11 - 12)	477,744	624,851
14	Share of Minority Interest	11,925	20,517
15	Share of Associates	319	(159)
16	Net Profit after Adjustment of share of Minority Interest and Associates (13 - 14 - 15)	465,500	604,493
17	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	103,201	103,201
18	Paid up Debt Capital	300,000	300,000
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	4,124,831
20	Debenture Redemption Reserve	8,194	698
21	Earning per Share (EPS) before and after Extraordinary Items (not annualised)		
	- Basic (Rs.)	22.55	29.29
	- Diluted (Rs.)	21.62	28.05
22	Debt Equity Ratio (Refer note 5)	0.56	0.81
23	Debt Service Coverage Ratio (DSCR) (Refer note 5)	0.92	2.51
24	Interest Service Coverage Ratio (ISCR) (Refer note 5)	7.49	9.59
25	Public Shareholding		
	- Number of Shares	669,106,821	674,165,821
	- Percentage of Shareholding	32.42%	32.66%

26	Promoters and Promoter Group Shareholding		
	a) Pledged / Encumbered		
	- Number of Shares	Nil	272,345,338
	- Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group)	N.A.	19.60%
	- Percentage of Shares (as a % of the total share capital of the company)	N.A.	13.19%
	b) Non -encumbered		
	- Number of Shares	1,394,920,060	1,117,515,722
	- Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group)	100.00%	80.40%
	- Percentage of Shares (as a % of the total share capital of the company)	67.58%	54.15%

Segment wise Revenue, Results and Capital Employed

SI. No.	Particulars	For the year ended	
		31-03-10	31-03-09
		Audited	Audited
27	Segment Revenue		
	a) Wireless	1,663,961	1,736,763
	b) Global	831,868	679,094
	c) Broadband	283,855	252,427
	d) Investments	20,949	32,782
	e) Others / Unallocated	96,781	67,503
	Total	2,897,414	2,768,569
	Less: Inter segment revenue	(684,186)	(473,723)
	Income from Operations	2,213,228	2,294,846
28	Segment Results		
	Profit / (Loss) before Tax and Financial Charges from each segment		
	a) Wireless	375,496	427,921
	b) Global	75,405	85,566
	c) Broadband	68,139	81,500
	d) Investments	20,949	32,782
	e) Others / Unallocated	(112,592)	(58,045)
	Total	427,397	569,724
	Less : Financial Charges (Net)	(118,633)	(50,695)
	Less : Exceptional Items and Impairment	23,747	747
	Total Profit before Tax	522,283	619,672
29	Capital Employed		
	(Segment assets - Segment liabilities)		
	a) Wireless	4,777,532	4,972,940
	b) Global	790,375	1,092,506
	c) Broadband	443,097	800,712
	d) Investments	471,708	956,578
	e) Others / Unallocated	964,316	389,823
	Total	7,447,028	8,212,559

NOTES

- 1 Figures of the previous period have been regrouped and reclassified, wherever required.
- 2 As reported in the quarterly results for the quarter and nine months ended on 31st December, 2009, as a measure of prudence, the Company has decided that unlike in earlier years, the Company will not recognise any mark to market gains in respect of any outstanding derivative contracts related to loans, liabilities and assets expressed in foreign currency. However, as required by the announcement dated 29th March, 2008 of the Institute of Chartered Accountants of India for accounting of derivatives, the Company provides for mark to market losses in respect of derivative contracts. **Accordingly, the Company has not recognised gain of Rs. 19,174 lakh (Rs. 191.74 crore) on mark-to-market valuation of derivative contracts outstanding as at the end of the year ended on 31st March, 2010 under review. If the Company had not made this change of policy, net profit after tax would have been higher by the amount of Rs. 19,174 lakh (Rs. 191.74 crore) for the year.**
- 3 During the year, the Company has repurchased and cancelled 297 (Previous year 350) Foreign Currency Convertible Bonds (FCCBs) of USD 1,00,000 each, at a discount. This has resulted in a saving of Rs. 2,449 lakh (Previous year Rs. 7,961 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 As reported in the quarterly results for the quarter ended on 30th September, 2009, the Company carried out technical/ technology assessment to determine the useful life of some of its telecommunications equipment. The useful life of such telecommunications equipment has been re-assessed and ascertained as 18 years, impacting the provision of depreciation of these assets for the year ended on 31st March, 2010. As a result, depreciation charge is lower by Rs. 83,100 lakh for year ended on 31st March, 2010. The accounting treatment so determined is fully in accordance with the applicable provisions of the Companies Act, 1956.
- 5 Formula used for the computation of ratios:
 - i) Debt Equity Ratio = Debt/ Equity;
 - ii) Debt Service Coverage Ratio (DSCR) = Earnings before Depreciation, Interest and after Tax/ (Interest + Principal repayment);
 - iii) Interest Service Coverage Ratio (ISCR) = Earnings before Depreciation, Interest and after Tax/ (Interest expense)
- 6 The Board of Directors have recommended a dividend of Re. 0.85 per equity share of Rs. 5 each i.e. 17% for the financial year 2009 - 10, subject to approvals of the shareholders at the ensuing Annual General Meeting.
- 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 2009 - 10. Standalone financial results, for the year ended 31st March, 2010 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, 22 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 15th May, 2010.

For Reliance Communications Limited

Place: Mumbai
Date: 15th May, 2010

Anil D. Ambani
Chairman