

Reliance Communications Limited
(Formerly known as Reliance Communication Ventures Limited)

Reliance Anil Dhirubhai Ambani Group

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

Unaudited Financial Results for the Quarter and six months ended June 30, 2006

(Rs. in Crore - Except earnings per share)

Sr. No.	Particulars	Quarter ended		Six months ended		Year ended 31.12.2005 (Nine Months Audited)
		30.06.2006	30.06.2005	30.06.2006	30.06.2005	
1	Income					
	a) Interest	9.10		66.32		6.79
	b) Rent Income	4.69		9.54		6.47
	c) Profit on sale of investments	9.20		9.54		-
	d) Other Income	0.15		0.30		-
	Total Income	23.14		85.70		13.26
2	Total expenditure					
	a) Staff cost	0.23		0.75		1.11
	b) Advertisement expenses (Rs.5426)	0.00		14.56		-
	c) Postage expenses	2.07		5.21		-
	d) Operating, general and other administration expenses	5.11		6.81		0.56
	e) Interest	-		24.69		-
3	Depreciation	2.05		4.06		2.74
4	Profit / (Loss) before tax (1-2-3)	13.68		29.62		8.85
5	Provision for tax					
	Current tax	5.01		5.28		2.57
	Deferred tax	0.22		0.73		0.63
6	Net profit / (Loss) after tax (4-5)	8.45		23.61		5.65
7	Paid-up share capital					
	Equity shares of Rs.5 each (for 30th June, 2005 Rs. 10 each)	611.57	0.01	611.57	0.01	0.05
8	Reserves excluding revaluation reserves					14 783.43
9	Earnings Per Share					
	Basic (Rs.)	0.07		0.23		849.62
	Diluted (Rs.)	0.07		0.22		0.10
10	Aggregate of Non- Promoter Shareholding					
	Number of shares	70 65 53 767		70 65 53 767		
	Percentage of shareholding	57.77		57.77		

NOTES

- Figures for the current year (being from January 1, 2006 to March 31, 2007) incorporate the transactions specified in the Scheme of demerger of Reliance Industries Limited, which have been vested with the Company and are therefore not comparable with those of the previous year, which is of the period of nine months. This is the second quarterly financial results of the Company since the listing of the equity shares of the Company at Bombay Stock Exchange and the National Stock Exchange of India Limited with effect from March 6, 2006.
- Since the Company was in pre-operative stage as at June 30, 2005, profit and loss account was not prepared for that period. Hence, the figures relating to the quarter and six months ended June 30, 2006 are not comparable.
- The Scheme of Amalgamation and Arrangement for the amalgamation of Reliance Infocomm Limited, Ambani Enterprises Private Limited, Reliance Business Management Private Limited, Formax Commercial Private Limited, Reliance Communications Technologies Limited, Reliance Software Solutions Private Limited, Reliance Communications Solutions Private Limited and Panther Consultants Private Limited and demerger of the Network division of the Reliance Communications Infrastructure Limited with the Company ("Scheme") has been approved by the Hon'ble High Court of Gujarat and the Hon'ble High Court of Judicature at Bombay. Upon effectiveness of the Scheme and allotment of equity shares of the Company as per the Scheme, the paid up equity share capital of the Company will stand increased to 204,46,14,990 shares of Rs. 5 each fully paid-up and Reliance Communications Infrastructure Limited, Reliance Telecom Limited as also Flag Telecom Group Limited, inter alia, will become wholly owned subsidiaries of the Company.
- The Company had made allotment of Foreign Currency Convertible Bonds (FCCB) of US \$ 500 Million on May 9, 2006 having maturity period of 5 years and 1 day. Each FCCB is convertible into one equity share of the Company at the price of Rs. 480.68 per share, representing a premium of 50% to the closing price of the shares on March 21, 2006. In the event of the FCCBs are fully converted into equity, the equity share capital of the Company would increase by approx. 4.62 crore equity shares of Rs. 5 each. The premium payable on redemption if any, including the loss on conversion of foreign exchange shall be charged to the securities premium account.
- Five investor compliants pending at the beginning of the quarter stand resolved. One hundred fifteen complaints were received from the Investors during the quarter and all the complaints were resolved. No complaint was pending as on June 30, 2006.

- 6 There are no reportable segment under Accounting Standard 17 (Segment Reporting) issued by The Institute of Chartered Accountants of India.
- 7 The financial results are in accordance with the standard accounting practices followed by the Company in preparation of its statutory accounts, and have been subjected to "Limited Review" by the Auditors of the Company for the six months ended June 30, 2006.
- 8 The name of the Company was changed from Reliance Communication Ventures Limited to Reliance Communications Limited w.e.f. June 7, 2006.
- 9 After review by the Audit Committee, the Board of Directors of the Company took the above results on record at their meeting held on July 31, 2006.

For **Reliance Communications Limited**

Place: Mumbai
Date: July 31, 2006

Anil Dhirubhai Ambani
Chairman