

**Reliance Communications Limited**  
**Reliance Anil Dhirubhai Ambani Group**  
website : [www.reliancecommunications.co.in](http://www.reliancecommunications.co.in), [www.rcom.co.in](http://www.rcom.co.in)  
Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710  
**Unaudited Financial Results (Standalone) for the Quarter ended 30th June, 2007**

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

Sl. No.	Particulars	Three months ended	Three months ended	Previous year ended
		30-Jun-07	30-Jun-06	31-Mar-07
		Unaudited	Unaudited	Audited
				See Note - 1
1	<b>Net Income</b>	<b>3,229.69</b>	2,732.16	11,761.91
	a) Income from Operations	3,228.93	2,718.67	11,725.26
	b) Other Income	0.76	13.49	36.65
2	<b>Total Expenditure</b>	<b>1,926.28</b>	1,724.67	7,232.88
	a) Access Charges and Licence Fees	902.18	884.07	3,593.64
	b) Network Expenses	248.05	226.72	851.18
	c) Staff Cost	182.39	155.45	684.40
	d) Selling and Distribution Expenses	328.96	324.54	1,399.88
	e) General Administration Expenses	264.70	133.89	703.78
3	<b>Operating Profit before Finance Charges, Depreciation, Amortisations and Exceptional items</b>	<b>1,303.41</b>	1,007.49	4,529.03
4	Finance Charges (Net)	10.95	79.48	248.16
5	<b>Operating Profit before Depreciation, Amortisation and Exceptional Items</b>	<b>1,292.46</b>	928.01	4,280.87
6	Depreciation and Amortisation	415.53	420.99	1,836.12
7	<b>Operating Profit before Exceptional Items</b>	<b>876.93</b>	507.02	2,444.75
8	Exceptional Items	-	15.00	23.90
9	<b>Profit before Tax</b>	<b>876.93</b>	492.02	2,420.85
10	Provision for Taxation ( including Fring Benefit Tax and Deferred Tax)	39.63	17.85	12.00
11	<b>Profit after Tax</b>	<b>837.30</b>	474.17	2,408.85
12	Paid-up Share Capital	1,022.31	611.57	1,022.31
	Equity Shares (Face Value of Rs. 5 each)			
13	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	19,503.23
14	Earning per Share of face value of Rs 5 each ( Not Annualised)			
	- Basic	4.10	3.88	11.98
	- Diluted	3.88	3.79	11.23
15	Aggregate of Non-promoter Shareholding			
	Number of shares	<b>679,803,930</b>	706,553,767	679,803,930
	Percentage of shareholding	<b>33.25%</b>	57.77%	33.25%

Segment Analysis

Rs. in Crore

	Particulars	Three months ended	Three months ended	Previous year ended
		30-Jun-07	30-Jun-06	31-Mar-07
		Unaudited	Unaudited	Audited
<b>16</b>	<b>Segment revenue</b>			
	a) Wireless	2,614.64	2,064.10	9,211.45
	b) Global	988.85	512.21	3,616.12
	c) Broadband	251.52	142.03	756.42
	d) Investments			-
	d) Others / Unallocated	0.75	13.82	36.65
	Total	<b>3,855.76</b>	2,732.16	13,620.64
	Less: Inter segment Revenue	626.07	-	1,858.73
<b>17</b>	<b>Net after Inter segment Revenue</b>	<b>3,229.69</b>	2,732.16	11,761.91
<b>18</b>	<b>Segment results</b>			
	Profit / (Loss) before tax and interest from each segment			
	a) Wireless	641.87	420.64	1,890.41
	b) Global	237.53	200.80	807.37
	c) Broadband	32.22	4.26	152.36
	d) Investments			
	e) Others / Unallocated	(23.74)	(39.20)	(173.01)
	<b>Total</b>	<b>887.88</b>	586.50	2,677.13
	Less : Finance Charges (Net)	10.95	79.48	232.38
	Less : Other Unallocable expenditure net of un-allocable income	-	15.00	23.90
<b>19</b>	<b>Profit Before Tax</b>	<b>876.93</b>	492.02	2,420.85
<b>20</b>	<b>Capital Employed</b>			
	(Segment Assets - Segment Liabilities)			
	a) Wireless	9,570.81	14,323.96	11,977.05
	b) Global	2,812.96	3,191.01	2,561.31
	c) Broadband	2,151.81	1,673.89	1,941.79
	d) Others / unallocated	23,982.42	10,694.49	18,613.23
	<b>Total</b>	<b>38,518.00</b>	29,883.35	35,093.38

## **NOTES**

- 1 To enable relevant comparison, the corresponding quarter of the previous year has been selected as the 2nd quarter of the previous year comprising the period from April to June 2006. For the same reason, the accounts for the quarter have been recast to reflect the Scheme of Arrangement including, in particular, the merger of Reliance Infocomm Limited with the Company, which became effective after 30th June, 2006.
- 2 The figures of the previous period have been reworked, regrouped, rearranged and reclassified, wherever required.
- 3
  - i 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 Telecom Infrastructure Limited (RTIL), 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 & Loss Account and an equivalent amount has been drawn from General Reserve No. I. Accordingly there is no impact of this in the profit for the quarter under report.
  - ii The Scheme of Amalgamation (Scheme) w.e.f 1st April, 2006 for merger of Synergy Entrepreneur Solutions Private Limited (SESPL), with Reliance Communications Infrastructure Limited (RCIL) wholly owned subsidiaries of the Company, was approved by the Hon'ble High Court of Judicature at Bombay vide order dated 11th June, 2007 and will become effective on filing of the Certified Order with the Registrar of Companies.
  - iii The Scheme of Amalgamation (Scheme) w.e.f. 1st April, 2006 for merger of Reliance Infinvestments Limited (RIIL), with Reliance Communications Infrastructure Limited (RCIL), wholly owned subsidiaries of the Company, as approved by the Hon'ble High Court of Judicature at Bombay vide order dated 20th June, 2007 became effective from 23rd July, 2007.
  - iv The Hon'ble High Court of Judicature at Bombay vide order dated 12th June, 2007 has approved w.e.f. 1st April, 2006 the Scheme of Amalgamation (Scheme) for merger of Reliable Internet Service Limited (RISL), with Reliance Telecom Limited (RTL) wholly owned subsidiaries of the Company. The merger will become effective on filing of the Certified Order with the Registrar of Companies.
- 4 Consequent upon Accounting Standards 11 "The Effect of Changes in Foreign Exchange Rates" ("AS") as notified by Companies (Accounting Standards) Rules, 2006 becoming applicable to the current accounting period commencing on 1st April, 2007, and considering the view expressed by the Council of the Institute of Chartered Accountants of India that the provisions of the AS would prevail notwithstanding that they are in conflict with Schedule VI of the Companies Act, 1956, the Company has re examined the accounting policies related to accounting for changes in foreign exchange rates, as a result of which:
  - i Net gain arising on account of foreign exchange difference amounting to Rs. 423.53 crore, relating to liabilities for acquisition of fixed assets, has been recognized in the profit for the quarter;
  - ii Loss of Rs.219.33 crore arising on marking to market of Derivative Instruments is recognized in the Profit & Loss Account for the quarter; and
  - iii Foreign Currency Convertible Bonds are treated as non-monetary liabilities also pursuant inter alia to market price of the Company's equity share exceeding/ nearing the conversion price, stipulated in the offer document, and consequently foreign exchange gain of Rs. 414.75 crore is not recognised in the Profit & Loss Account for the quarter. If these changes had not been made and there was no change in the accounting policies relating to changes in foreign exchange rates, the profit for the quarter would have been higher by Rs. 414.75 crore .  
If these changes had not been made and there was no change in the accounting policies relating to changes in foreign exchange rates, the profit for the quarter would have been higher by Rs. 210.55 crore.
- 5 The amount of Income to be recognized in the profit and loss account and to be deferred and carried forward to subsequent periods has been recomputed during the current quarter based on revision in management estimates of continuity of subscribers of life time and fixed validity period schemes. On this basis an amount of Rs. 58.72 crore (Previous Period Rs. 197.30 crore) is carried forward as deferred income.
- 6 No complaint from Investors was pending at the beginning of the quarter. During the quarter 38 complaints were received and all the complaints were resolved. No complaint was pending as on 30th June, 2007.
- 7 The Company is operating Wireless, Broadband, Global, Investments and Others segments as per Accounting Standard 17 (Segment Reporting), issued by the Institute of Chartered Accountants of India, and accordingly segment wise information are given.
- 8 After review by the Audit Committee, Board of Directors of the Company took the above results on record at their meeting held on 31st July, 2007 and the same are subjected to limited review by the Statutory Auditors of the Company.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 31st July, 2007.

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