

Reliance Infocomm Ltd. and Reliance Communications Infrastructure Ltd., group companies of Reliance Communication Ventures Ltd, make write-offs and provisions of approximately Rs. 4,500 crores

Write-offs and provisions relate to the period prior to 31st March 2005, based on an independent report by a leading international accounting firm, and other relevant material

Reliance Infocomm Ltd. and Reliance Communications Infrastructure Ltd. to appropriately recast their accounts for the year ended March 31, 2005

Mumbai, February 20, 2006: The Boards of Directors of Reliance Infocomm Ltd. and Reliance Communications Infrastructure Ltd., **the two major operating companies under Reliance Communications Ventures Ltd. (RCVL), have approved write-offs and provisions aggregating approximately Rs. 4,500 crores.**

Post write-offs and provisions, the proforma consolidated networth of RCVL presently stands at approximately Rs. 11,000 crores.

The write-offs and provisions relate to the period up to 31st March 2005, prior to the restructuring and demerger of Reliance Group.

The write-offs and provisions are based on an independent report by a leading international accounting firm, and other relevant material, and relate to, inter alia, the following heads:

- Liabilities relating to regulatory and taxation matters
- Bad debts and irrecoverable amounts
- Obsolete and slow-moving inventories
- Impairment of assets
- Miscellaneous other items

Reliance Infocomm Ltd. and Reliance Communications Infrastructure Ltd., propose to appropriately recast their accounts for the year ended March 31, 2005, subject to regulatory and/or other approvals, to reflect a true and fair view of the state of affairs in that period.

This disclosure is being made in the interests of transparency and fairness, for the benefit of over 22 lakh Reliance shareholders, who have become shareholders of Reliance Communications Ventures Ltd. (RCVL), based on the demerger scheme approved by the Hon'ble High Court of Judicature, Bombay in December 2005.

Media Release



Necessary disclosures in this regard will also be made in the Information Memorandum proposed to be filed with the stock exchanges shortly by RCVL.

RCVL is proposed to be listed on BSE and NSE in the week of 6th March 2006, subject to necessary approvals.