

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

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

Unaudited Financial Results (Standalone) for the Quarter and Six months ended 30th September, 2007

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

Sl. No.	Particulars	Three months ended		Six months ended		Previous Year ended (Fifteen months)
		30-Sep-07	30-Sep-06	30-Sep-07	30-Sep-06	31-Mar-07
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations	3,328.39	2,822.85	6,557.32	5,541.52	11,725.26
2	Other Income	0.82	15.87	1.58	29.36	36.65
3	Total Income (1+2)	3,329.21	2,838.72	6,558.90	5,570.88	11,761.91
4	Expenditure					
	a) Access Charges	633.01	628.60	1,259.61	1,266.39	2,611.40
	b) License Fee	266.99	233.93	542.57	480.21	982.24
	c) Employee Cost	225.78	173.51	408.17	328.96	684.40
	d) Depreciation and Amortisation	468.14	514.52	883.67	935.51	1,836.12
	e) Other Expenses	961.60	760.84	1,803.31	1,445.99	2,954.84
	f) Total	2,555.52	2,311.40	4,897.33	4,457.06	9,069.00
5	Financial Charges (Net)	(29.55)	53.88	(18.60)	133.36	248.16
6	Exceptional Items	-	15.00	-	30.00	23.90
7	Profit Before tax (3 - 4 - 5 - 6)	803.24	458.44	1,680.17	950.46	2,420.85
8	Provision for Taxation (including Fringe Benefit Tax and Deferred Tax)	2.00	(3.28)	41.63	14.57	12.00
9	Profit after tax (7- 8)	801.24	461.72	1,638.54	935.89	2,408.85
10	Paid-up Equity Share Capital (Face Value of Rs.5 each)	1,022.31	1,022.31	1,022.31	1,022.31	1,022.31
11	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year					19,503.23
12	Earning per Share (Not annualised)					
	- Basic Rs.	3.92	2.26	8.01	4.58	11.98
	- Diluted Rs.	3.71	2.21	7.59	4.48	11.23
13	Public Shareholding					
	Number of shares	679,803,930	679,793,530	679,803,930	679,793,530	679,803,930
	Percentage of shareholding	33.25%	33.25%	33.25%	33.25%	33.25%

Segment wise Revenue, Results and Capital Employed

Rs. in crore

Sl. No.	Particulars	Three months ended		Six months ended		Previous Year ended (Fifteen months)
		30-Sep-07	30-Sep-06	30-Sep-07	30-Sep-06	31-Mar-07
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
14	Segment revenue					
	a) Wireless	2,680.14	2,159.97	5,294.78	4,258.64	9,211.45
	b) Global	991.32	949.34	1,980.17	1,820.20	3,616.12
	c) Broadband	293.36	174.08	544.88	317.27	756.42
	d) Others / Unallocated	0.83	15.53	1.58	29.35	36.65
	Total	3,965.65	3,298.92	7,821.41	6,425.46	13,620.64
	Less: Inter segment Revenue	(636.44)	(460.20)	(1,262.51)	(854.58)	(1,858.73)
	Income from Operations	3,329.21	2,838.72	6,558.90	5,570.88	11,761.91
15	Segment results					
	Profit / (Loss) before tax and financial charges from each segment					
	a) Wireless	476.50	359.13	1,118.37	779.77	1,890.41
	b) Global	217.91	201.44	455.44	402.24	807.37
	c) Broadband	81.24	38.99	113.46	43.25	152.36
	e) Others / Unallocated	(1.96)	(72.24)	(25.70)	(111.44)	(157.23)
	Total	773.69	527.32	1,661.57	1,113.82	2,692.91
	Less : Financial Charges (Net)	(29.55)	53.88	(18.60)	133.36	248.16
	Less : Other Unallocable expenditure net of un-allocable income	-	15.00	-	30.00	23.90
16	Total Profit Before Tax	803.24	458.44	1,680.17	950.46	2,420.85
17	Capital Employed					
	(Segment Assets - Segment Liabilities)					
	a) Wireless	11,126.45	12,760.49	11,126.45	12,760.49	11,977.05
	b) Global	2,558.04	2,806.01	2,558.04	2,806.01	2,561.31
	c) Broadband	2,051.93	1,835.34	2,051.93	1,835.34	1,941.79
	d) Others / unallocated	22,176.45	13,928.56	22,176.45	13,928.56	18,613.23
	Total	37,912.87	31,330.40	37,912.87	31,330.40	35,093.38

NOTES

- 1 Previous period figures have been reworked, regrouped, rearranged and reclassified, wherever required.
 - 2 During the previous period, financial year of the Company was for fifteen months from 1st January,2006 to 31st March,2007.To enable relevant comparison, third quarter of the previous period (from 1st July,2006 to 30th September,2006) and six months (from 1st April,2006 to 30th September,2006) of previous year has been reported as corresponding previous periods.
 - 3
 - i 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, as approved by the Hon'ble High Court of Judicature at Bombay vide order dated 11th June, 2007, became effective from 1st September, 2007 and SESPL being dissolved, ceased to be the subsidiary of the Company.
 - ii The Scheme of Amalgamation (Scheme) w.e.f. 1st April, 2006 for merger of Reliance Infoinvestments Limited (RIIL) with Reliance Communications Infrastructure Limited (RCIL), wholly owned subsidiaries of the Company as approved by the Hon'ble High Court at Judicature at Bombay vide order dated 20th June,2007, became effective from 23rd July,2007 and RIIL being dissolved, ceased to be the subsidiary of the Company.
 - iii The Scheme of Amalgamation (Scheme) w.e.f. 1st April, 2006 for merger of Reliable Internet Services Limited (RISL), with Reliance Telecom Limited (RTL), wholly owned subsidiaries of the Company, as approved by the Hon'ble High Court of Judicature at Bombay vide order dated 12th June, 2007 became effective from 29th September, 2007 and RISL being dissolved, ceased to be the subsidiary of the Company.
 - 4 Pursuant to the request received from the holders of the FCCB, the Company has allotted 75,76,371 equity shares of Rs. 5 each at an aggregate premium of Rs. 372.43 crore, subsequent to 30th September, 2007. Consequent upon the said allotments the paid up share capital of the Company has increased to 205,21,91,361 fully paid equity shares of Rs. 5 each.
 - 5 An agreement has been signed by Flag Telecom Group Limited (FLAG), a subsidiary of the Company, to acquire US based Yipes Holdings Inc. (Yipes), a leading provider of managed Ethernet Service, for a consideration of USD 300 million.The deal is under process of execution.
 - 6 Pursuant to the judgment of Telecom Disputes Settlement And Appellate Tribunal (TDSAT) dated 31st August, 2007 on component of Adjusted Gross Revenue for payment of revenue share, the Company will be entitled to refund of Rs.166.73 crore and the same has been accounted as income in this quarter / six months ended September, 2007
 - 7 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. 185.69 crore and Rs.538.20 crore for the quarter and six months ended 30th September, 2007 respectively, relating to liabilities for acquisition of fixed assets, have been recognized in the Profit and Loss Account.
 - ii Gain of Rs. 32.90 crore and loss of Rs 186.45 crore for the quarter and six months ended 30th September, 2007 respectively arising on mark to market of Derivative Instruments are recognized in the Profit and Loss Account; and
 - iii Foreign Currency Convertible Bonds are treated as non-monetary liabilities also pursuant inter alia market price of the Company's equity share exceeding the conversion price, stipulated in the offer document. Consequently foreign exchange gain of Rs.129.00 crore and Rs. 543.75 crore for the quarter and six months ended 30th September,2007 respectively is not recognised in the Profit and Loss Account.
- If these changes had not been made, the profit would have been lower by Rs.89.59 crore for the quarter ended 30th September 2007, and higher by Rs.192.00 crore for the six months ended 30th September, 2007.
- 8 No complaint from Investors was pending at the beginning of the quarter. During the quarter 129 complaints were received and all the complaints were resolved. No complaint was pending as on 30th September, 2007.
 - 9 The Company is operating Wireless, Broadband, Global 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.
 - 10 After review by the Audit Committee, Board of Directors of the Company has approved the above results at their meeting held on 31st October, 2007 and same are subjected to limited review by the Statutory Auditors of the Company.

For Reliance Communications Limited

Place: Mumbai
Date: 31st October, 2007.

Anil D. Ambani
Chairman