



## Quarterly Report on the Unaudited Financial Results for the First Quarter ended June 30, 2009

Reliance Communications Limited

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July 31, 2009

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Mobile**

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Source: Brand Equity Survey, 2009.

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**Safe Harbour:** Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations, and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words.

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**General Risk:** Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of the Company unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

**Convenience Translation:** All references in this report to "Rs" are to Indian Rupees and all references herein to "US\$" are to United States Dollars.

We publish our financial statements in Indian Rupees, the legal currency of the Republic of India. All amounts translated into United States Dollars in this report are provided solely for the convenience of the reader, and no representation is made that the Indian Rupee or United States Dollar amounts referred to herein could have been or could be converted into United States Dollars or Indian Rupees respectively, as the case may be, at any particular rate, the rates stated in this report, or at all.

**Others:** In this report, the terms "we", "us", "our", "the Company" or "the Group", unless otherwise specified or the context otherwise implies, refer to Reliance Communications Limited ("Reliance Communications") and its affiliates, including, inter alia, FLAG Telecom Group Limited ("FLAG"), Reliance Telecom Limited ("RTL"), Reliance Communications Infrastructure Limited ("RCIL") and Reliance Infratel Limited ("Reliance Infratel"). Further abbreviations are defined within this report.

Any discrepancies in any table between total and sums of the amounts listed are due to rounding off.

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## 1. Performance Snapshot

Particulars	Units	12 months period ended			Quarter ended
		March-2007 <sup>#</sup>	March-2008	March-2009	June 30, 2009 (Q1 FY10)
Total Subscribers	000's	28,007	45,794	72,666	79,616
<b>Consolidated financials</b>					
Revenue	Rs. mn	144,683	190,678	229,411	61,452
EBITDA	Rs. mn	57,207	81,991	92,875	24,525
Cash profit from operations	Rs. mn	56,291	82,064	100,789	28,353
Profit before income taxes	Rs. mn	32,247	70,762	61,353	19,475
Net Profit	Rs. mn	31,632	54,011	59,077	16,366
Total Fixed Assets	Rs. mn	330,423	523,126	729,476	716,059
Shareholders' Equity	Rs. mn	202,719	254,609	370,003	377,165
Net Debt	Rs. mn	18,238	99,700	225,943	221,630
<b>Key Ratios</b>					
EBITDA Margin	%	39.5%	43.0%	40.5%	39.9%
Net Profit Margin	%	21.9%	28.3%	25.8%	26.6%
Return on Networth	%	26.8%	33.7%	37.1%	39.7%
Net Debt to funded equity ratio	Times	0.09	0.39	0.61	0.59
<b>KPIs</b>					
Wireless APRU	Rs.	371	340	244	210
Wireless RPM	Rs.	0.74	0.74	0.63	0.58
Wireless MoU per sub	Min/month	503	460	389	365
Long Distance Minutes	Mn Min	23,238	30,045	39,724	12,558

<sup>#</sup>for the 12 months period ended March 31, 2007, the numbers may be different from the Annual Report 2007 as the latter is for the 15 months period ended March 31, 2007

## 2. Overview

### 2.1. [Introduction](#)

Reliance Communications Limited ("Reliance Communications" or "the Company") is India's largest integrated communications service provider in the private sector with over 85 million individual, enterprise, and carrier customers.

We operate pan-India across the full spectrum of wireless, wireline, and long distance, voice, data, video and internet communication services. We also have an extensive international presence through the provision of long distance voice, data and internet services and submarine cable network infrastructure globally.

### 2.2. [Strategic Business Units](#)

The business of Reliance Communications is organized into three strategic customer-facing business units: Wireless, Global, and Broadband. In addition, subsidiaries of Reliance Communications are engaged, inter alia, in the ownership, operation and development of telecom infrastructure, such as wireless communications sites and towers. Our strategic business units are supported by our fully integrated, state-of-the-art network and operations platform and by the largest retail distribution and customer service facilities of any communications service provider in India.

#### 2.2.1. [Wireless](#)

We offer CDMA and GSM based wireless services on a nationwide basis, including mobile and fixed wireless voice, data, and value added services for individual consumers and enterprises.

Following the recent roll-out of our GSM network, we are now the only player in the country offering both GSM and CDMA (dual technology) services on a nationwide basis.

We not only provide telecom connectivity to the mass market consumer segment but also, as an Integrated Telecom Service Provider, we offer total telecom solutions to our corporate, SME & SoHo customers.

Our portfolio of products includes mobile handsets, fixed wireless phones/terminals, high-speed internet data cards and Blackberry services. Our primary brands are Reliance Mobile for the mobile portfolio of services, Reliance Hello for the fixed wireless portfolio of services and Reliance Netconnect for wireless data services. We offer a unique wireless multi media experience under the brand Reliance Mobile World.

We also offer public calling office ("PCO") services over our wireless network through independent retail operators of such facilities. We have pioneered rural telephony initiatives that are supported by the Government of India's Universal Services Obligation (USO) Fund. Additionally, we provide connectivity for devices such as point of sale terminals, lottery terminals, and ATM terminals.

We are among the top two providers of wireless communication services in the country, with a wireless subscriber base of over 79.6 million as of June 30, 2009 representing a market share of 18.9%. We are also the second largest seller of mobile handsets/devices in the country, and the largest service provider engaged in this activity. Due to our unique strength in high speed wireless data transmission, we have nearly 60% market share of the data card and USB modem market for laptops and PCs. In addition, we are the largest PCO operator in the private sector with over 50% market share.

Reliance Mobile has been rated as "India's Most Trusted Service Brand" amongst all service brand categories in the most reputed pan-India consumer survey conducted by "The Economic Times".

### 2.2.2. Global

We offer comprehensive national and international long distance voice, video and data network services on an integrated and highly scalable platform. Our business segments comprise Data, Voice, WiMAX and NLD. We have wholesale, enterprise and retail product offerings in each business segment.

In India, we provide long distance business services including wholesale voice, bandwidth and infrastructure services. Globally, we provide carrier's carrier voice, carrier's carrier bandwidth, enterprise data and consumer voice services.

In Voice, we offer ILD carriage and termination to other carriers as well as, on an inter segment basis, to other business units of Reliance Communications as part of the wholesale product offering. We entered the long distance market in India in mid-2003 and are one of the largest carriers of international voice minutes with a market share of 30% for ILD wholesale inbound traffic.

In Voice, as part of our retail offering we offer virtual international calling services to retail customers for calls to 200 international destinations including India under the brand Reliance Global Call. Our retail services are available to customers in eight countries including the United States, Canada, the United Kingdom, Australia, New Zealand, Hong Kong and Malaysia. We have over 2 million customers for our Reliance Global Call service. Usage of Reliance Global Call accounts for 40% of total retail market calls from the United States to India.

In NLD, we offer NLD carriage and termination to other carriers as well as, on an inter segment basis, to other business units of Reliance Communications. We also offer bandwidth and infrastructure services to other operators.

Our international Data business is underpinned by our ownership of the largest private submarine cable system in the world, directly connecting 40 countries from the East coast of the United States, to Europe, the Middle East, India, South and East Asia, through to Japan. The network seamlessly interconnects with our 190,000 route Kilometres fibre optic cables within India. We are further expanding our global network with implementation of the FLAG Next Generation Network cable system.

As part of wholesale offering, we offer national and international (submarine cable) network infrastructure on both an Indefeasible Right of Use ("IRU") and leased circuit basis, internet bandwidth, IPLC to carriers, ISPs, content providers and enterprises globally.

We have a very strong and rapidly growing enterprise business segment outside India.

Our acquisition of Yipes Holdings Inc., rebranded as Reliance Enterprise Solutions in 2007 has made us among the top 10 Managed Ethernet services providers in the U.S. Our acquisition of Vanco Group Limited, rebranded as Reliance Global Enterprise Solutions, in 2008, has strengthened our position in the global enterprise data market. We have over 1,400 enterprise customers globally in developed markets of the US, UK, France, Germany, Benelux, Singapore and Australia.

Our WiMAX business segment is currently focused on acquiring licenses in several emerging markets.

### 2.2.3. Broadband

We offer the most comprehensive portfolio of enterprise voice, data, video, internet and IT infrastructure services. These services include: national and international private leased circuits, broadband internet access, audio and video conferencing, MPLS-VPN, remote access VPN, Centrex, toll-free services voice services for offices, voice VPN for corporates and managed internet data centre ("IDC") services. We offer unique, value-added products and services to large, medium and small enterprises for their communications, networking, and IT infrastructure needs across the country. We have a product range of more than 38 products to suit the needs of all customer segments, more than any other service provider in India.

We launched our enterprise broadband services in the first half of 2005. We are leveraging our existing metro fibre optic networks to establish direct building connectivity on-net. Currently we are operating in 44 cities in India with close to 967,100 buildings connected directly to our network serving close to 1.42 million access lines.

Our primary building access technology is metro Ethernet technology with ring based fiber uplinks, which offers performance and cost advantages versus other access technologies in areas with high service potential. Our Metro Ethernet LAN technology gives us a significant edge in delivering high bandwidth data services, as compared with all of our competitors who operate on predominantly copper networks. In cities where we are not currently providing wireline direct building connectivity, we have selectively deployed wireless LMDS to access targeted buildings in accordance with our customers requirements. In the top 10 cities of India, we have augmented building connectivity program through deployment of WiMAX 802.16d technology. We propose to use the Wimax technology to provide last mile to our Enterprise Customers in more than 100 Cities in PAN India in FY 2010.



We have established an enterprise customer base that includes over 850 of the Top 1,000 Indian enterprises and MNCs. We are also expanding our enterprise subscriber base rapidly in the SME segment. We are the clear market leader in IDC services (Reliance Data Center) with 60% market share. We continue to maintain leadership in other high growth segments of the market such as MPLS-VPN and Centrex solutions.

#### 2.2.4. Reliance Big TV

We launched nationwide satellite TV services on 19<sup>th</sup> August, 2008 under our wholly-owned subsidiary Reliance Big TV Limited. These services are available on the Direct To Home (DTH) format to consumers in India.

Reliance Big TV uses state-of-the-art MPEG 4 technology to deliver over 200 broadcast channels and over 30 exclusive movie channels to its subscribers. We will also deliver high definition content and Dolby digital voice quality to our viewers on this platform to create a highly personalized video experience.

Reliance Big TV is available at more than 100,000 outlets across 6,500 towns in the country. The retail and distribution reach, as well as other elements of infrastructure established for our wireless network, have been leveraged to expand our DTH presence.

Reliance Big TV currently has 1.7 million subscribers, about 12% of the DTH market in India within a short span of launch. This is the fastest ramp up ever achieved by any DTH operator in the world.

### 2.3. Network and Operating Facilities

We have India's widest network coverage encompassing 23,000 towns, 600,000 villages & all major railway routes & highways which covers 90% of the country's population.

Our national inter-city long distance network is the largest next generation network in India, with over 160,000 route kilometres of ducted fibre optic cables, We have a totally unique asset in over 25,000 route kilometres of ducted fibre optic cables installed in the leading cities in India. The entire inter-city and metro fibre optic backbone network is deployed in a ring and mesh architecture and is MPLS enabled. The Reliance Data Network has over 180 MPLS integrated network nodes.

We have over 304,000 sq. ft. of IDC capacity in multiple locations and plan to add more IDC capacity to meet growing demand. Our network operating centre in Navi Mumbai, India, is one of the most advanced in the world. The entire range of our products and services is enabled by streamlined, fully integrated, flow through operating and business support systems. These facilities provide us with by far the most superior platform in India for offering bandwidth intensive, feature rich, converged services and solutions for consumers, enterprises, and carrier customers with virtually limitless scalability.

Our national networks are integrated with our international networks.

With the acquisition of Vanco, Reliance Globalcom will get significant advantage through Vanco's relationship with over 700 global, regional and domestic carriers capable of offering services in 230 countries. Vanco's Managed Network Services are currently available in over 40,000 locations across 163 countries.

Through our acquisition of Yipes Holdings Inc. we own 22,000 kms of metro fibre network in the U.S. in 14 metros. Our customers can get seamless end-to-end connectivity to these key business markets.

Our consumer and SME offerings are supported by one of the most extensive and powerful distribution networks in India with throughput capacity for over 24 million handsets per annum. The backbone of our retail presence is nearly 2,000 exclusive Reliance World and Reliance Express stores with a presence in over 700 Indian cities. These stores offer customer activation and after sales service. Reliance World stores also operate as broadband experience centres offering a range of broadband internet and video conferencing applications. Together with preferred retailers, we have a branded retail presence in over 1,300 towns. We have a plan for aggressive expansion in our branded retail outlets during the course of this financial year. Furthermore, we have over 600,000 retailers who offer sale of Reliance Mobile connections or recharge of our prepaid mobile and FWP's in our coverage footprint. Our customer service is further supported by about 10,000-employee, multi-lingual contact centre facilities.

## 2.4. [Principal Operating Companies](#)

**Reliance Communications Limited** is the Flagship company and is also the holding company for the other major operating companies in the Group. Reliance Communications provides wireless, wireline, broadband, and long distance services in India and overseas. Its major assets are the wireless network, transmission networks used in its business, and the contact centres. Following the recent roll-out of our GSM network, we now provide CDMA based wireless services in 20 Circles and GSM based wireless services in 14 Circles.

**Reliance Globalcom Limited** ("RGL") which was earlier known as FLAG Telecom Group Ltd, is a subsidiary of Reliance Communications. RGL encompassing Enterprise Services, Capacity Sales, Managed Services and a highly successful bouquet of Retail products & services comprising of Global Voice, Internet Solutions and Value Added Services. Its major assets are the FLAG Atlantic, FLAG North Asia Loop, FLAG Europe Asia and FALCON submarine cable systems.

**Reliance Telecom Limited** ("RTL") is a wholly owned subsidiary of Reliance Communications. RTL provides GSM-based wireless services in 8 service areas, and owns the GSM wireless networks in its service areas. We have received requisite Government approvals and spectrum to roll-out CDMA services in additional 2 Circles.

**Reliance Communications Infrastructure Limited** ("RCIL") is a wholly owned subsidiary of Reliance Communications. RCIL provides wireless multimedia (Reliance Mobile World) and internet access (Reliance Netconnect) services to customers of Reliance Communications.

**Reliance Infratel Limited** owns, operates, and develops telecom infrastructure, primarily consisting of wireless communication sites and towers. It currently owns all of the towers used by Reliance Communications' CDMA and GSM wireless networks and is developing additional towers to meet the needs of Reliance Communications and other customers. Reliance Infratel is currently a subsidiary of Reliance Communications through RCIL.

### 3. Financial Highlight

Financial results for the quarter ended June 30, 2009 as per Indian GAAP. In the tables below, "Qtr ended 31/03/09" refers to the three month period ended March 31, 2009 and "Qtr ended 30/06/09" refers to the three month period ended June 30, 2009. Exchange rate for conversion of Indian Rupees to United States Dollars is Rs 50.72 = US\$ 1.00 for the quarter ended March 31, 2009 and Rs 47.90 = US\$ 1.00 for the quarter ended June 30, 2009, being the revaluation rate as announced by Foreign Exchange Dealers' Association of India ('FEDAI').

#### 3.1. Summarized Consolidated Statement of Operations

(Rs Million, except ratios)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09	Q-on-Q Growth (%)
Total revenue	61,237	61,452	0.4%
Net revenue	51,731	53,607	3.6%
EBITDA	23,832	24,525	2.9%
Cash profit from operations	26,595	28,353	6.6%
Amortisation of Compensation under Employee Stock Option Scheme	(1,570)	111	NA
Profit before tax	15,654	19,475	24.4%
Net profit	14,544	16,366	12.5%
<i>EBITDA margin (%)</i>	<i>38.9%</i>	<i>39.9%</i>	

(US\$ Million)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09	Q-on-Q Growth (%)
Total revenue	1,207	1,283	6.3%
Net revenue	1,020	1,119	9.7%
EBITDA	470	512	8.9%
Cash profit from operations	524	592	12.9%
Amortisation of Compensation under Employee Stock Option Scheme	(31)	2	NA
Profit before tax	309	407	31.6%
Net profit	287	342	19.0%
<i>EBITDA margin (%)</i>	<i>38.9%</i>	<i>39.9%</i>	

### 3.2. Summarized Consolidated Balance Sheet

(Rs Million, except ratios)

Particulars	As at 31/03/09	As at 30/06/09
<b>Assets</b>		
Net fixed assets, including capital work-in-progress	729,476	716,059
Investments	2,857	1,318
Total current assets (excluding cash & cash equivalents)	136,983	151,937
<b>Total assets</b>	<b>869,316</b>	<b>869,314</b>
<b>Liabilities and stockholders equity</b>		
Total current liabilities and provisions	265,142	263,518
Net debt	225,943	221,630
<b>Total liabilities</b>	<b>491,085</b>	<b>485,148</b>
Stockholders equity (Net of Goodwill)	370,003	377,165
Minority interest	8,228	7,001
<b>Total liabilities and stockholders equity</b>	<b>869,316</b>	<b>869,314</b>
<i>Net debt to annualized EBITDA (x)</i>	<i>2.37</i>	<i>2.26</i>
<i>Net debt to stockholders equity (x)</i>	<i>0.61</i>	<i>0.59</i>
<i>Book value per equity share (Rs)</i>	<i>183</i>	<i>186</i>

(US\$ Million)

Particulars	As at 31/03/09	As at 30/06/09
<b>Assets</b>		
Net fixed assets, including capital work-in-progress	14,378	14,947
Investments	56	28
Total current assets (excluding cash & cash equivalents)	2,700	3,172
<b>Total assets</b>	<b>17,134</b>	<b>18,147</b>
<b>Liabilities and stockholders equity</b>		
Total current liabilities and provisions	5,226	5,501
Net debt	4,453	4,627
<b>Total liabilities</b>	<b>9,679</b>	<b>10,128</b>
Stockholders equity (Net of Goodwill)	7,293	7,873
Minority interest	162	146
<b>Total liabilities and stockholders equity</b>	<b>17,134</b>	<b>18,147</b>

### 3.3. Summarized Statement of Operations by Segment

#### 3.3.1. Wireless

(Rs Million, except ratios)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09	Q-on-Q Growth (%)
Gross revenue	45,015	47,931	6.5%
Net revenue	33,683	38,086	13.1%
EBITDA	16,629	18,489	11.2%
EBIT	9,020	11,365	26.0%
<i>EBITDA margin (%)</i>	<i>36.9%</i>	<i>38.6%</i>	
<i>EBIT margin (%)</i>	<i>20.0%</i>	<i>23.7%</i>	

#### 3.3.2. Global

(Rs Million, except ratios)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09	Q-on-Q Growth (%)
Gross revenue	18,803	18,844	0.2%
Net revenue	13,368	13,801	3.2%
EBITDA	5,025	4,515	-10.1%
EBIT	2,859	2,161	-24.4%
<i>EBITDA margin (%)</i>	<i>26.7%</i>	<i>24.0%</i>	
<i>EBIT margin (%)</i>	<i>15.2%</i>	<i>11.5%</i>	

#### 3.3.3. Broadband

(Rs Million, except ratios)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09	Q-on-Q Growth (%)
Gross revenue	7,075	6,842	-3.3%
Net revenue	6,178	5,997	-2.9%
EBITDA	3,160	2,994	-5.2%
EBIT	2,090	1,842	-11.8%
<i>EBITDA margin (%)</i>	<i>44.7%</i>	<i>43.8%</i>	
<i>EBIT margin (%)</i>	<i>29.5%</i>	<i>26.9%</i>	

Note: "Net revenue" in 3.2.1, 3.2.2, and 3.3.3 above represents gross segment revenue less license fees and access charges.

### 3.3.4. Others

(Rs Million, except ratios)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09	Q-on-Q Growth (%)
Other income	3,132	3,031	-3.2%
Other expenses	4,109	4,412	7.4%
EBITDA	(977)	(1,381)	41.4%
EBIT	(1,562)	(1,987)	27.2%

*Note: "Other income" in 3.2.4 above represents revenue earned from operating activities not included in segments (as defined). "Other expenses" in 3.2.4 above represents expenses related to such activities and unallocated corporate expenses.*

### 3.4. Contribution to Revenue by Segment

(Rs Million, except ratios)

Segment	Qtr ended 31/03/09		Qtr ended 30/06/09	
	Revenue	% of Total	Revenue	% of Total
Wireless	45,015	61%	47,931	62%
Global	18,803	25%	18,844	25%
Broadband	7,075	10%	6,842	9%
Others	3,132	4%	3,031	4%
<b>Sub Total</b>	<b>74,025</b>	<b>100%</b>	<b>76,648</b>	<b>100%</b>
<i>Eliminations</i>	<i>(12,788)</i>		<i>(15,196)</i>	
<b>Total</b>	<b>61,237</b>		<b>61,452</b>	

Note: "Others" comprises "Other income" as shown in 3.2.4 above.

### 3.5. Contribution to EBITDA by Segment

(Rs Million, except ratios)

Segment	Qtr ended 31/03/09		Qtr ended 30/06/09	
	EBITDA	% of Total	EBITDA	% of Total
Wireless	16,629	70%	18,489	75%
Global	5,025	21%	4,515	19%
Broadband	3,160	13%	2,994	12%
Others	(977)	-4%	(1,381)	-6%
<b>Sub Total</b>	<b>23,837</b>	<b>100%</b>	<b>24,617</b>	<b>100%</b>
<i>Eliminations</i>	<i>(5)</i>		<i>(92)</i>	
<b>Total</b>	<b>23,832</b>		<b>24,525</b>	



### 3.6. Investment in Projects by Segment

(Rs Million, except ratios)

Segment	Cumulative to 30/06/09		Qtr ended 30/06/09	
	Rs Million	% of Total	Rs Million	% of Total
Wireless	512,935	69%	9,402	97%
Global	149,995	20%	182	2%
Broadband	55,217	8%	136	1%
Others	24,503	3%	33	0%
<b>Total</b>	<b>742,650</b>		<b>9,753</b>	

*Investment in projects comprises gross fixed assets, intangible assets (unamortized portion of one time entry fee paid) and capital work-in-progress. The categories of assets allocated to each segment are set out in Section 4.*

## 4. Key Performance Indicators

The financial figures used for computing ARPU, RPM, SMS revenue, non-voice revenue, and ARPL are based on Indian GAAP. Data used for computing wireless market share is derived from reports published by industry associations. Although we believe that such data is reliable, it has not been independently verified. Definitions of terms are set out in Section 7. "Qtr ended 31/03/09" refers to the three month period ended March 31, 2009; "Qtr ended 30/06/09" refers to the three month period ended June 30, 2009.

### 4.1. Wireless

Metric	Unit	Qtr ended 31/03/09	Qtr ended 30/06/09
Service areas operational*	Nos	22	22
Wireless customers	Nos	72,666,192	79,616,300
Wireless market share (All-India)	%	18.8%	18.9%
Wireless net adds	Nos	11,321,060	6,950,108
Market share – wireless net adds	%	25.6%	19.5%
Pre-paid % of total wireless customers	%	93.5%	94.0%
Pre-paid % of wireless net adds	%	99.9%	99.0%
Wireless ARPU	Rs/Sub	224	210
Wireless churn	%	0.8%	1.3%
Wireless minutes of use (MoU)	Bn Mins	74.8	83.3
Wireless MoU per customer/month	Min/Sub	372	365
Wireless revenue per minute (RPM)	Rs/Min	0.60	0.58
Wireless EBITDA per minute	Rs/Min	0.22	0.22

\* Considering Tamil Nadu and Chennai as one combined circle

#### 4.2. Global

Metric	Unit	Qtr ended 31/03/09	Qtr ended 30/06/09
Total ILD minutes	Mn Mins	1,983	2,209
Total NLD minutes	Mn Mins	9,090	10,349

*Note: Definition of ILD minutes includes transit minutes and global calling card minutes. Definition of NLD minutes includes carriage of all ILD minutes originating or terminating in India.*

#### 4.3. Broadband

Metric	Unit	Qtr ended 31/03/09	Qtr ended 30/06/09
Service areas operational	Nos	18	18
Towns active (wireline only)	Nos	42	42
Access lines	Nos	1,385,000	1,422,000
Access line net adds	Nos	50,000	37,000
ARPL	Rs/line	1,735	1,626
Buildings directly connected	Nos	929,600	967,154

## 5. Basis of Presentation of Financial Statements

### 5.1. Reporting Periods

The financial year end of Reliance Communications Limited is March 31. Each financial year ("FY") is referred to by the calendar year in which the particular financial year end occurs. The current financial year will be for a period of 12 months, commenced on April 1, 2009 and ending on March 31, 2010.

### 5.2. Consolidated and Segment Financial Results

#### 5.2.1. Revenues

Revenues of the Company have been reported in the following manner:

- Consolidated Revenues and Segment Gross Revenues

Consolidated revenues of the Company have been classified as "Services and Sales" revenue. This represents revenues earned from the provision of services and from the sale of network infrastructure on an IRU basis.

For the purposes of business segment reporting, revenues have been classified under three segments namely "Wireless", "Global", and "Broadband". The lines of business included in each segment and the basis of segment revenue reporting is described in Section 5.3 below. Revenue earned from operating activities not included in these segments (as defined) is shown as "Other Income" under "Others" in the segment analysis.

- Elimination of Inter Segment Revenues

Revenues for each business segment are reported at gross level where inter segment revenue is also included. Hence, revenue of one segment, from inter segment source, is reported as the expense of the related segment. Elimination takes place in determining consolidated revenues for the Company.

For the purpose of determining transfer pricing between segments, open market wholesale rates for comparable services or, where applicable, rates stipulated by the regulatory authorities have been adopted.

### 5.2.2. Net Revenues by Segment

"Net Revenues" represent revenues earned less direct variable operating expenses in the nature of: (1) revenue share (including levies for Universal Service Obligation), and spectrum fees (referred to collectively as "License Fees"); and (2) charges for access, carriage, interconnection, and termination (referred to collectively as "Access Charges").

Expenses included under License Fees are currently incurred as a percentage of adjusted gross revenue. Expenses included under Access Charges, on the basis of fixed or ceiling cost per minute, or are determined by commercial negotiation with other carriers and between our business segments, as appropriate.

Access Charges and license Fees are disclosed in aggregate as part of the classification of "Operating Expenses" in the consolidated statement of operations. Net Revenues are reported for each business segment.

### 5.2.3. Operating Expenses

Operating expenses of the Company have been reported in the following manner:

- ❑ Consolidated and Segment Gross Operating Expenses

Consolidated operating expenses of the Company have been classified under four categories of costs, namely "Access Charges and license Fees", "Network Operations", "Employees", and "Selling, General & Administrative".

- ❑ Elimination of Inter Segment Expenses

Principles, as stated in 5.2.1 above, have been followed for reporting gross operating expenses of each segment and elimination of such expenses in determining consolidated EBITDA for the Company.

### 5.3. Composition of Segments

Financial performance of the Company has been reported under the following three business segments:

- ❑ Wireless
- ❑ Global
- ❑ Broadband

Financial results by segment include all products and services covered by the individual segment as described below. Operating activities not included in the segments (as defined below) are grouped under "Others".

### 5.3.1. Wireless

The Wireless segment functions in a retail mode. Wireless services are offered on both CDMA and GSM technology platforms. Wireless services consist mainly of the following:

- ❑ Mobile services for individuals and corporate customers, including local and long distance voice, messaging, wireless internet access, wireless multimedia and value added services. Services are offered on both pre-paid and post paid bases.
- ❑ Fixed wireless phone and terminal services are mainly for residential and SME customers, including local and long distance voice, messaging, wireless internet access, wireless multimedia, and value added services. Services are offered on both pre-paid and post paid bases.
- ❑ Public calling offices and coin collection boxes for local and long distance voice using fixed wireless phones and terminals. Service is provided to independent retail operators of such facilities on a pre-paid basis.

Assets allocated to this business segment include: radio equipment (base trans-receiver stations (BTSs), microwave towers, antennas, mobile switching centers (MSCs), and related electronics, software and systems for operations); intra-city access networks (ducts and optical fiber) other than in 44 cities; utilities, servers, customer premises equipment, and license fees.

### 5.3.2. Global

The global segment provides wholesale and retail voice and data services from many international locations. It provides the following services to the wireless and broadband segments of Reliance Communications on an inter segment basis and to other telecom companies (on a carrier's carrier basis) and enterprises in India and across the globe:

- ❑ National inter-circle (NLD) carriage services for voice, data, and internet.
- ❑ NLD bandwidth and infrastructure services for other service providers.
- ❑ International long distance (ILD) carriage services for voice, data, and internet.
- ❑ IRUs and leased circuits for international voice and data connectivity through submarine cable systems, together with cable restoration and maintenance services.
- ❑ Global Ethernet services to enterprise customers across four industry verticals i.e. financial, legal, healthcare and Government
- ❑ International managed data services, including IP-VPN.

- ❑ Virtual international calling and voice content services provided by overseas operating units in USA, UK, Canada, Australia, New Zealand, Hong Kong, Singapore and Malaysia in a retail mode to individual customers for calling India and global destinations.
- ❑ Managed contact centre solutions for call centres in India and overseas.

NLD and ILD assets are allocated to this segment. NLD assets include: transport equipment and electronics; transmission networks connecting various Media Convergence Nodes (MCNs) across all circles; buildings, utilities, and license fees. ILD assets include: dedicated ports and switches, electronics, infrastructure at various points of presence and other cable systems not owned and operated by the Company. In addition, the submarine cable systems, cable landing stations, switching equipment for PoPs and associated facilities of FLAG, are included in this segment.

### 5.3.3. Broadband

All services provided through wireline, LMDS etc. and involving the provision of IT infrastructure are covered under this segment. Services are provided across various customer groups including residential, SMEs, and large corporates. Products and services include the following:

- ❑ Voice Products: E1 DID, Centrex, PBX trunks, One Office Duo, toll free, Audio conferencing, and fixed line phones.
- ❑ Data products: VPN, leased lines, IPLCs, Ethernet, video conferencing, Remote Access VPN, internet data centre (IDC) services (including managed hosting, applications, storage, and disaster recovery), and broadband internet.

Assets allocated to this segment include: in-building wiring and building access networks from building access nodes in all locations where active; intra-city access networks (ducts and optical fiber) in 44 cities; internet data centers; digital loop carriers (DLC), routers, modems and related electronics; customer premises equipment (CPE) and license fees.

### 5.3.4. Others

Others comprise operating activities not included in the segments as defined above. These activities include DTH services, retailing (Reliance World), property leasing and investments.

Assets shown under Others mainly comprise properties owned by the Company, including the Dhirubhai Ambani Knowledge City, and property and fittings (including electronics for video-conferencing and other digital services) used by Reliance World retail outlets.

## 6. Financial Statements

Financial results for the quarter ended June 30, 2009 as per Indian GAAP. An explanation of the basis of presentation is set out in Section 5. In the tables below, "Qtr ended 31/03/09" refers to the three month period ended March 31, 2009 and "Qtr ended 30/06/09" refers to the three month period ended June 30, 2009. Previous quarter's figures have been re-grouped, re-arranged and re-classified wherever necessary.

### 6.1. Consolidated Results of Operations

(Rs. Million, except ratios)

Particulars	Qtr ended 31/03/09	Qtr ended 30/06/09
<b>Total revenues</b>	<b>61,237</b>	<b>61,452</b>
Services and sales	61,237	61,452
<b>Total operating expenses</b>	<b>37,405</b>	<b>36,927</b>
Access charges and license fees	9,506	7,845
Network operations	13,582	13,856
Employees	4,213	4,112
SG&A	10,104	11,114
<b>EBITDA before exceptional item</b>	<b>23,832</b>	<b>24,525</b>
Finance charges (net)	(1,678)	(6,205)
Depreciation / amortization	11,426	11,144
Amortisation of Compensation under Employee Stock Option Scheme	(1,570)	111
<b>Profit before tax</b>	<b>15,654</b>	<b>19,475</b>
Provision for tax (including Deferred tax)	485	2,267
<b>Net profit after tax (before adjustment of share of Minority Interest/ Associates)</b>	<b>15,169</b>	<b>17,208</b>
Share of Minority and associates	625	842
<b>Net profit after tax (after adjustment of share of Minority Interest/ Associates)</b>	<b>14,544</b>	<b>16,366</b>
<b>Ratios</b>		
<i>EBITDA margin (%)</i>	<i>38.9%</i>	<i>39.9%</i>
<i>Net profit margin (%)</i>	<i>23.8%</i>	<i>26.6%</i>



6.2. Consolidated Balance Sheet

(Rs. Million)

Particulars	As at 31/03/09	As at 30/06/09
<b>ASSETS</b>		
<b>Current assets</b>		
Inventories	5,427	5,390
Debtors	54,785	53,797
Other current assets	16,912	21,679
Loans and advances	59,859	71,071
<b>Total current assets (excluding cash and cash)</b>	<b>136,983</b>	<b>151,937</b>
<b>Fixed assets</b>		
Gross block	756,489	775,059
Less: Depreciation	141,069	162,527
Net block	615,420	612,532
Capital work-in-progress	114,056	103,527
<b>Total fixed assets</b>	<b>729,476</b>	<b>716,059</b>
Investments	2,857	1,318
<b>Total assets</b>	<b>869,316</b>	<b>869,314</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Stockholders equity</b>		
Share capital	10,320	10,320
Reserves and surplus (net of Goodwill)	359,683	366,845
<b>Stockholders equity</b>	<b>370,003</b>	<b>377,165</b>
Minority interest	8,228	7,001
<b>Current liabilities and provisions</b>		
Current liabilities	225,980	224,206
Provisions	39,162	39,312
<b>Total current liabilities and provisions</b>	<b>265,142</b>	<b>263,518</b>
<b>Debt</b>		
Secured loans		
Foreign currency loans	-	-
Rupee loans	30,000	30,000
Unsecured loans		
Foreign currency loans	186,906	182,875
Rupee loans	118,614	101,756
Less: Cash and cash equivalents	109,577	93,001
<b>Net debt</b>	<b>225,943</b>	<b>221,630</b>
<b>Total liabilities and stockholders equity</b>	<b>869,316</b>	<b>869,314</b>

### 6.3. Consolidated Statement of Cash Flows

(Rs. Million)

Particulars		Qtr ended 31/3/09	Qtr ended 30/06/09
<b>Cash flows from operating activities:</b>			
Net profit/(loss) before tax	A	15,654	19,475
Add: Non cash/non operating items	B	6,915	(600)
Depreciation and amortization		11,426	11,144
Provision for doubtful debts		404	235
Finance charges (net)*		(2,643)	(11,306)
(Profit)/loss on sale of investments		(702)	(784)
Exceptional items		(1,570)	111
Cash generated from operations before working capital changes	A+B	22,569	18,875
(Increase)/decrease in working capital		6,298	(2,549)
Cash generated from operations		28,867	16,326
Tax paid		(1,117)	(1,218)
Net cash provided/used by/in operating activities	C	27,750	15,108
<b>Cash flows from investing activities:</b>			
(Purchase)/sale of property, plant, and equipment (net)		(42,424)	(8,780)
(Purchase)/sale of investments (net)		(80)	-
Interest income / (expense) (net)		(6,578)	(4,911)
Net cash provided/used by/in investing activities	D	(49,082)	(13,691)
<b>Cash flows from financing activities:</b>			
Increase/(decrease) in borrowings		50,162	(17,993)
Net cash provided/used by/in financing activities	E	50,162	(17,993)
<b>Cash and cash equivalents:</b>			
Beginning of the period	F	80,747	109,577
End of the period	C+D+E+F	109,577	93,001

## 7. Accounting Policies

Set out below are the significant accounting policies to the Consolidated Statement of Operations and the Consolidated Balance Sheet.

### 7.1. Principles of Consolidation

Consolidation has been carried out in compliance with the applicable Accounting Standards, viz., AS 21 and AS 23, issued by the Institute of Chartered Accountants of India.

### 7.2. Other Significant Accounting Policies

#### 7.2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

#### 7.2.2. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### 7.2.3. Fixed Assets

Fixed assets are stated at cost net of cenvat/value added tax and include amount added on revaluation less accumulated depreciation, amortization and impairment loss, if any.

- ❑ All costs including financing cost until commencement of commercial operations relating to borrowings attributable to fixed assets, are capitalized.
- ❑ Expenses incurred relating to projects prior to commencement of commercial operation are considered as project development expenditure and shown under capital work-in-progress.
- ❑ In respect of operating leases, rentals are expensed with reference to lease terms and other considerations in compliance with the provisions of the AS 19 issued by The Institute of Chartered Accountants of India, except for rentals pertaining to the period up to the date of commencement of commercial operations, which are capitalized.
- ❑ In respect of finance leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding

amount shown as liabilities for leased assets in compliance with the provisions of the AS 19 issued by The Institute of Chartered Accountants of India. The principal component in the lease rental in respect of the above is adjusted against liabilities for leased assets and the interest component is recognized as an expense in the year in which the same is incurred except in case of assets used for capital projects where it is capitalized.

- ❑ Entry fees paid for telecom licenses and infeasible right of connectivity are stated at cost for acquiring the same less accumulated amortization. These are classified as part of fixed assets.

#### 7.2.4. Depreciation/Amortization

- ❑ Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in cases of cable systems, telecom electronic equipment, customer premises equipment and certain other assets for which useful life has been considered based on technical estimation. Depreciation is net of the amount adjusted from Provision for Business Restructuring in accordance with the Scheme.
- ❑ Depreciation on assets taken on finance lease is provided over the remaining period of lease from the commencement of commercial operations.
- ❑ Leasehold land is depreciated over the period of the lease term.
- ❑ Intangible assets, namely entry fees for telecom licenses and infeasible right of connectivity are amortized equally over the balance period of licenses or infeasible rights from the date of commencement of commercial services or acquisition.
- ❑ The depreciation schedule for various classes of assets is as follows:

Asset Class	Period (Years)
Leasehold Land	Over the lease period
Building	30 & 60
Plant and Machinery	10-20
Furniture and Fixture	10
Office Equipment	5-10
Vehicles	5

#### 7.2.5. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

#### 7.2.6. Investments

Investments are classified into long term and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year, are classified as current investments.

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

#### 7.2.7. Inventories

Inventories are valued at lower of cost or net realizable value. Cost of communication devices and accessories and stores and spares are determined on weighted average basis, or net realizable value whichever is less.

#### 7.2.8. Employee Retirement Benefits

Gratuity and leave encashment liabilities are provided for based on actuarial valuation. While Company's contributions towards provident fund and superannuation fund are provided on actual contribution basis in accordance with the related stipulation.

#### 7.2.9. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expense in the year in which they are incurred.

#### 7.2.10. Foreign Currency Transactions

- ❑ Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ❑ Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.

- ❑ Non monetary foreign currency items are carried at cost.
- ❑ Any income or expense on account of currency exchange difference, either on settlement or on translation, is recognized in the profit and loss account. The Company has adopted AS 11 for the year 2008-09 in respect of forex losses which are therefore being debited to Profit and Loss Account.
- ❑ Any income or loss arising out of marking derivative contracts to market price is recognized in the profit and loss account.

#### **7.2.11. Revenue Recognition**

Revenue (income) is recognized as and when the services are performed on the basis of actual usage of the Company's network. Revenue on upfront charges for services with lifetime validity and fixed validity periods are recognized over the estimated useful life of subscribers and specified fixed validity period, where significant. The estimated useful life is consistent with estimated churn of the subscribers.

#### **7.2.12. Provision for Doubtful Debts**

Provision is made in the accounts for doubtful debts in cases where the management considers the debts to be doubtful of recovery.

#### **7.2.13. Miscellaneous Expenditure**

Miscellaneous expenses are charged to profit and loss account as and when they are incurred.

#### **7.2.14. Taxes on Income**

Provision for income tax is made on the basis of estimated taxable income for the year at current rates. Tax expenses comprise both current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

#### **7.2.15. Government Grants**

Subsidies provided by Government for providing telecom services in rural areas are recognized as operating income.

#### 7.2.16. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## 8. Notes to Accounts. (As reported to stock exchanges)

1. On account of various factors including, in particular, an amendment to Schedule VI of the Companies Act, 1956 ("the Act") withdrawing the requirement to adjust changes in the amounts of liability relating to Loans and Liabilities in foreign currency attributable to Fixed Assets acquired by the Company in the cost of the said Fixed Assets, the Company has decided after the end of the Financial Year 2008 - 09 and after the approval of the Unaudited Financial Results for the Year ending on 31st March, 2009 that it would be more appropriate to account for the changes in the amounts of liabilities, consequent to changes in foreign exchange rates, as part of the profit or loss of the Company for the year in which the changes take place without adjusting the amount of the change in the cost of fixed assets. The accounting policy now adopted by the Company is in line with the Accounting Standard ("AS") 11, "The Effect of Changes in Foreign Exchange Rates" as also in line with the accounting policy adopted by the Company in the Previous Year ending 31st March, 2008 and the accounting policy followed by the Company for similar changes relating to liabilities expressed in foreign exchange other than those relating to fixed assets.

Accordingly, in respect of the Year ending on 31st March, 2009, Rs. 599,856 lakh being the foreign exchange difference relating to such loans/ liabilities, which were earlier adjusted in the cost of fixed assets, have now been charged to the Profit and Loss Account. Rs. 586,603 lakh has been withdrawn from the General Reserve of the Company in accordance with the terms of the Scheme of Arrangement between the Company and Reliance Infratel Limited approved by the Mumbai High Court on 18th July, 2009 and consequently, there is no impact vis-à-vis profits of the year ended 31st March, 2009 of such charge except for consequential effects relating to Depreciation, etc. which have been appropriately dealt with. However, aforesaid adjustment by withdrawing from the General Reserve shall be reversed in case, for any reason, the Order does not become effective.

The revised accounting policy is continued in respect of the Current Year and the financial results for the Quarter ended on 30th June, 2009 have been arrived at on the basis of the revised accounting policy.

The accounting treatment in relation to changes in amount of liabilities consequent to changes in foreign exchange rates was the subject matter of reference in the Review Report of the Auditors for the previous Quarter ending on March 31, 2009.

2. During the quarter, the Company has repurchased and cancelled 297 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 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.

3. (i) Pursuant to the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Honourable High Court of Bombay vide Order dated 3rd July, 2009, Reliance Gateway Net Limited ("RGNL"), a Wholly Owned Subsidiary of the Company has been amalgamated into the Company with effect from the Appointed Date as 31st March, 2009. As required by the Scheme, the Company has considered the accounting effects of the Scheme into unaudited accounts for the year ended as at 31st March, 2009.

All the assets and liabilities as appearing in the books of the RGNL as on the Appointed Date have been recorded at their respective fair values by the Company. Excess of Rs. 1,433,205 lakh arising on such transfer of assets and liabilities, in proportion to its Shareholding in Reliance Globalcom Limited, Bermuda, after making the adjustment, in accordance with the Scheme, for cancellation of investments of Rs. 2,09,643 lakh in RGNL and net effect on revaluation of assets and liabilities of the Company selected by the Board as required to be revalued for this purpose ("Identified Assets") of Rs. 1,275,481 lakh has been credited to General Reserve, to be dealt with in accordance with the Scheme.

Further to the above, during the current quarter, additional depreciation of Rs. 28,934 lakh arising on account of fair valuation of Identified Assets, have been adjusted by drawing an equivalent amount from General Reserve, leaving no impact on Profit and Loss Account of the Company.

(ii) Pursuant to the Scheme of Arrangement ("the Scheme") under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Honourable High Court of Bombay vide Order dated 19th June, 2009, the Treasury Activities, as defined in the Scheme, of Reliance Communications Infrastructure Limited ("RCIL"), a wholly owned subsidiary of the Company have been transferred and vested into Reliance Telecom Limited ("RTL"), a wholly owned subsidiary of the Company with effect from the Appointed Date as 1st April, 2008. Since the Scheme between two wholly owned subsidiaries of the Company does not involve any movement of assets or liabilities to any company outside the group controlled by the Company, RTL is not required to issue any shares or pay any consideration to either RCIL or to its shareholders.

(iii) Pursuant to the Scheme of Arrangement ("the Scheme") under Section 391 to 394 of the Companies Act, 1956 sanctioned by the Honourable High Court of Bombay on 18th July, 2009, the Optic Fiber Undertaking, as defined in the Scheme, of the Company has been transferred and vested into Reliance Infratel Limited ("RITL"), a subsidiary of the Company with effect from the Appointed Date as 1st April, 2008.

However, the detailed Order of the Court is yet to be received. Also, the said Order has not become effective as the Company is still to file the said Order with the Registrar of Companies. In the interest of providing relevant information, the Company has decided that, notwithstanding the aforesaid position, the Company would reflect the transactions forming part of the Scheme sanctioned by the said Order in compiling the accounts both for the Year ended 31st March, 2009 and for the Quarter ended 30th June, 2009.

4. The Company has provided for Current Tax based on Minimum Alternate Tax (MAT) rate of 15% with applicable surcharge and education cess and discontinued provision of Fringe Benefit Tax (FBT), in view of the proposals contained in the Finance Bill (No.2) 2009.
5. The Board of Directors have declared Interim dividend of Re. 0.80/- per equity share of Rs. 5 each i.e. 16% for the financial year 2008 - 09. The interim dividend will be paid on or after 6th August, 2009.
6. 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".

## 9. Glossary

### Key Performance Indicators and Financial Terms

Wireless Segment	
Wireless market share	Total wireless customers (CDMA Mobile + GSM Mobile + FWP + Wireless PCO), at the end of the relevant period, divided by All-India wireless customers, at the end of the same period. All-India wireless customer numbers are sourced from industry reports.
Market share of wireless net adds	Wireless customer net additions during the relevant period, divided by All-India wireless customer net additions during the same period.
Wireless ARPU	Computed by dividing total wireless revenue for the relevant period by average customers; and dividing the result by the number of months in the relevant period.
Wireless net ARPU	Computed by dividing net wireless revenue for the relevant period by average customers; and dividing the result by the number of months in the relevant period.
Wireless churn	Computed by taking average monthly wireless disconnections divided by opening monthly subscriber base in the relevant period. Churn is expressed as a percentage.
Total wireless minutes of use (MoU)	Sum of all incoming and outgoing minutes used on the wireless access network by all customers in aggregate.
Wireless MoU per customer per month	Total wireless MoU divided by average number of wireless customers on the network in the relevant period. The result is expressed as the average per customer per month.
Wireless revenue per minute (RPM)	Wireless ARPU divided by the average wireless MoU per customer per month.
SMS revenue (% of ARPU)	Comprises both charges for customer to customer messaging services and for applications accessed by customers over the SMS platform. SMS revenue is divided by wireless revenue, and expressed as a percentage of ARPU.
Non-voice revenue (% of ARPU)	Comprises SMS revenue, charges for applications accessed by customers over the wireless multimedia platform, wireless internet access services, wireless data, and other value added services. Non-voice revenue is divided by wireless segment revenue, and expressed as a percentage of ARPU.

Global Segment	
ILD minutes	Total of incoming and outgoing international long distance minutes carried by the Global business. This includes minutes originating or terminating in India, international transit minutes, and global calling card minutes.
NLD minutes	Total of national long distance minutes carried by the Global business. The domestic carriage of all ILD minutes has been included in NLD minutes.

Broadband Segment	
Buildings directly connected	The number of buildings directly connected to Reliance Communications's own network (either by wireline, fiber optic, or other fixed access technologies) at the end of the relevant period.
Access lines	Number of narrowband and broadband voice and data access lines in use.
ARPL	ARPL (average revenue per line) is computed by dividing total Broadband business revenue by the average number of access lines in use during the relevant period; and dividing the result by the number of months in the relevant period.

Financial Terms	
Net revenue	Total revenue less (1) charges for access deficit, USO levy, revenue share and spectrum fees (referred to as "License Fees") and (2) charges for access, carriage, interconnection and termination (referred to as "Access Charges").
Cash profit from operations	Is defined as the sum of profit after tax, depreciation and amortization.
ARPL	ARPL (average revenue per line) is computed by dividing total Broadband business revenue by the average number of access lines in use during the relevant period; and dividing the result by the number of months in the relevant period.

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► Source: Brand Equity Survey, 2009.