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Review report**To the Board of Directors of
Reliance Communications Limited**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Reliance Communications Limited ('the Company') for the quarter and the half year ended 30 September 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 06 November 2015. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We draw attention to Note 2 of the Statement regarding the Scheme of Arrangement ("the Scheme") sanctioned on 03 July, 2009 by the Hon'ble High Court of Judicature at Mumbai, the Company is permitted to adjust additional depreciation, expenses and/or losses, which have been or are required to be debited to the statement of profit and loss by a corresponding withdrawal or credit from/to General Reserve, as determined by the Board of Directors. During the quarter and half year ended 30 September 2015, net exchange variations of ₹ 206 crore (loss) (corresponding previous period loss of ₹ 167 crore) and ₹ 359 crore (loss) (corresponding previous period loss of ₹ 286 crore) respectively are in the opinion of the Board, considered to be of an exceptional nature and are withdrawable from General Reserve as per the Scheme mentioned above. Consistent with the practice followed in earlier periods, the withdrawal from General Reserve for exchange variations, if any, relating to foreign currency monetary items other than long-term foreign currency monetary items, depreciation on exchange losses capitalised and amortization of Foreign Currency Monetary Item Translation Difference Account (FCMITDA) would be done at the year-end. Above treatment has no impact on the reported loss for the quarter and loss for the half year ended 30 September 2015. Consequently, reported Reserves and Surplus, current liabilities, current assets and non-current assets as at 30 September 2015 would have been ₹ 32,307 crore (corresponding previous period ₹ 32,914 crore), ₹ 14,747 crore (corresponding previous period ₹ 19,794 crore), ₹ 16,666 crore (corresponding previous



Review report (*Continued*)**Reliance Communications Limited**

period ₹ 16,705 crore), and ₹ 61,035 crore (corresponding previous period ₹ 61,977 crore) respectively.

4. Based on our review conducted as above, and except for our comments in paragraph 3 above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 4 of the Listing Agreement for debt securities and Clause 41 of the Equity Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 2 of the Statement whereby pursuant to the Scheme, the Company is permitted to adjust additional depreciation and amortisation which has been or is required to be debited to the statement of profit and loss by a corresponding withdrawal or credit from General Reserve, as determined by the Board of Directors. During the quarter and half year ended 30 September 2015, consistent with the practice followed in earlier periods and the exercise of choice by the Company in accordance with the Scheme approved vide Court Order dated 03 July 2009, which may be considered to override the relevant provisions of Accounting Standard 5 (AS 5) 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies', the Company has withdrawn ₹ 307 crore (corresponding previous period ₹ 294 crore) and ₹ 601 crore (corresponding previous period ₹ 588 crore) respectively from General Reserve to offset additional depreciation and amortisation on account of fair valuation of certain assets. Had such withdrawal not been made, the reported loss for the quarter and half year ended 30 September 2015 would have been higher by ₹ 307 crore (corresponding previous period ₹ 294 crore) and ₹ 601 crore (corresponding previous period ₹ 588 crore) respectively. Our review report is not qualified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



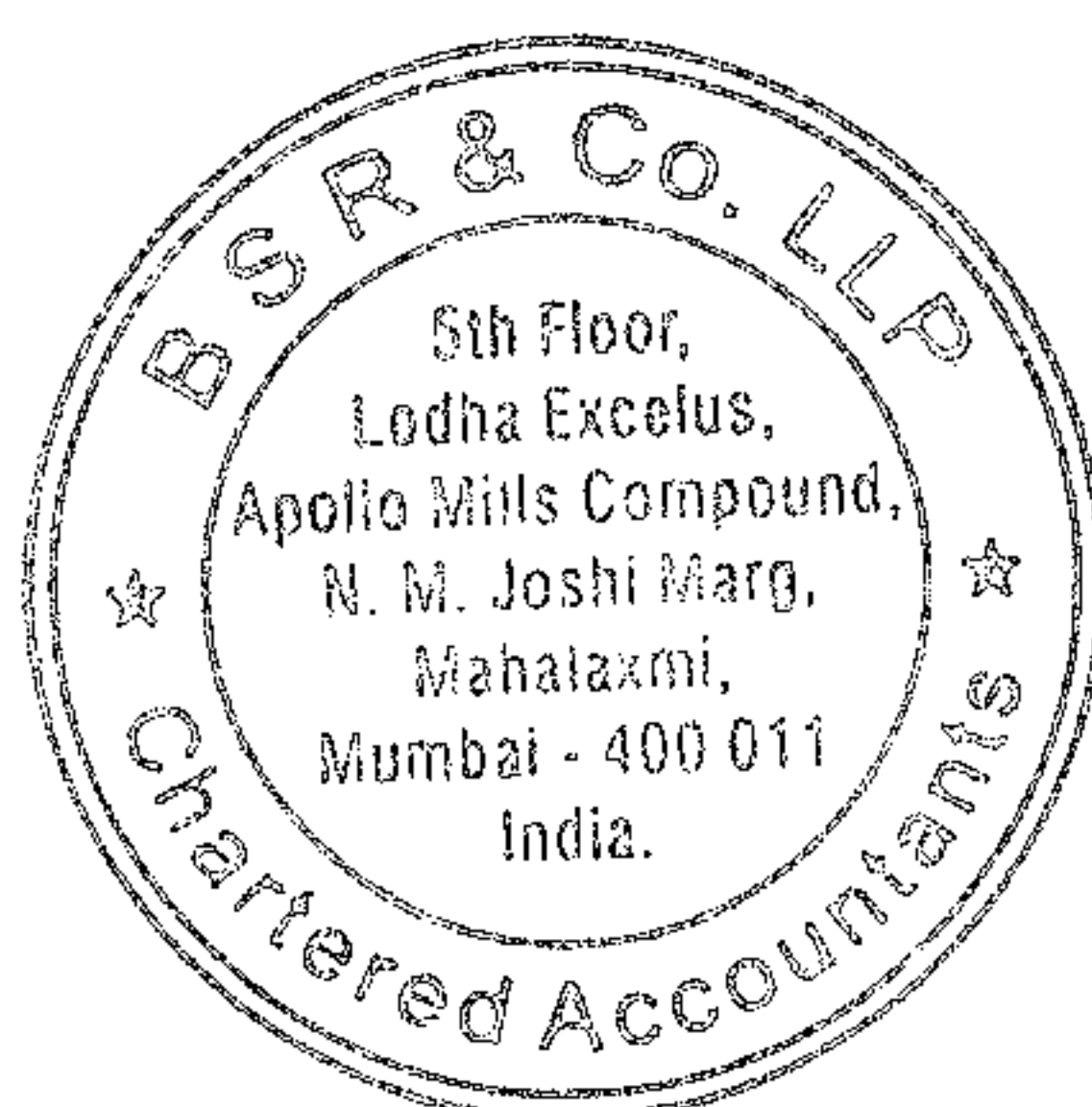
Rajesh Mehra

Partner

Membership Number: 103145

06 November 2015

Mumbai



For **Chaturvedi & Shah**

Chartered Accountants

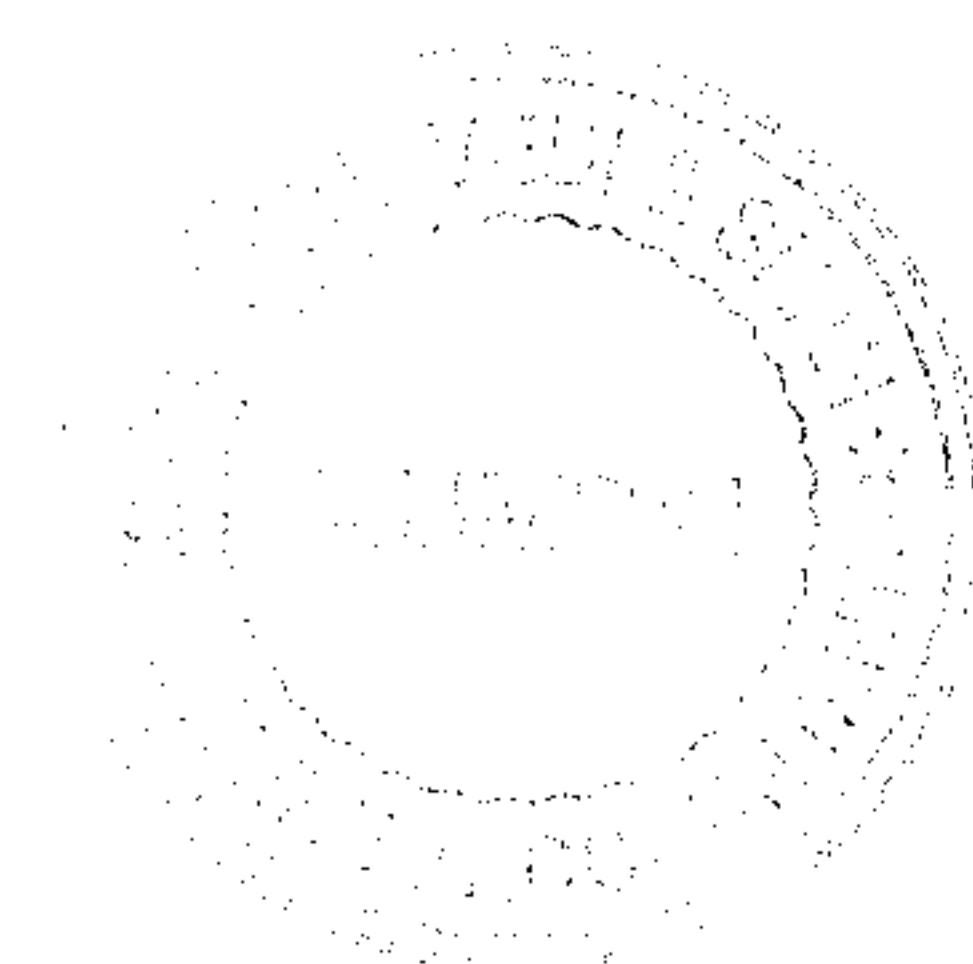
Firm's Registration No: 101720W



Lalit R Mhalsekar

Partner

Membership Number: 103418



Reliance Communications Limited

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

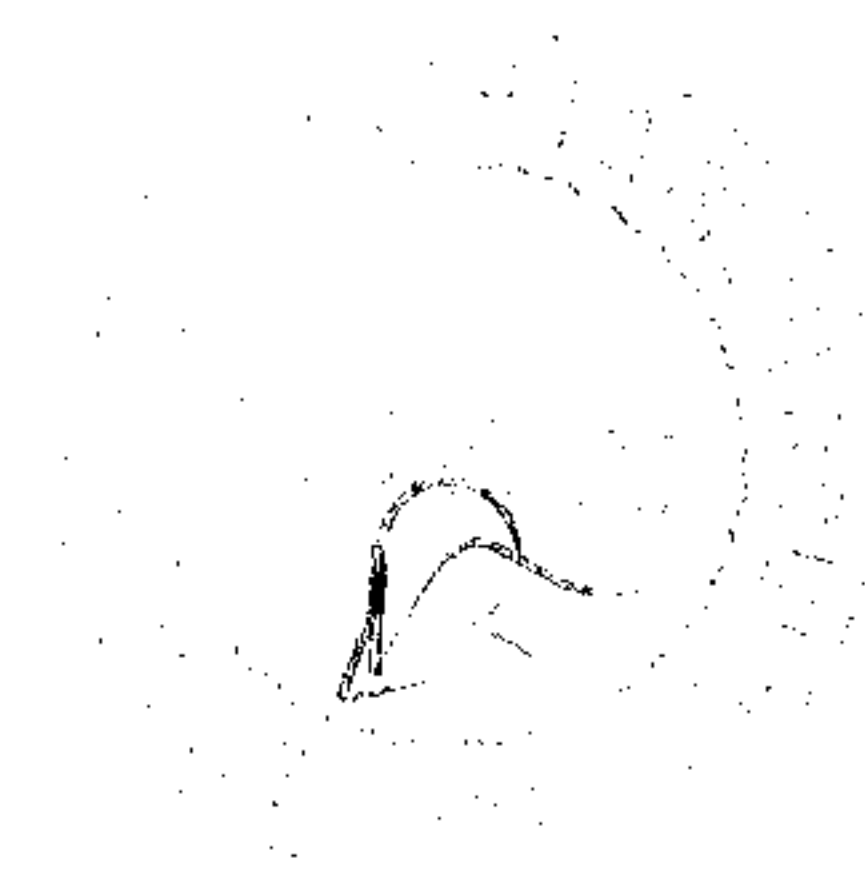
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Unaudited Financial Results (Standalone) for the Quarter and Half year ended September 30, 2015

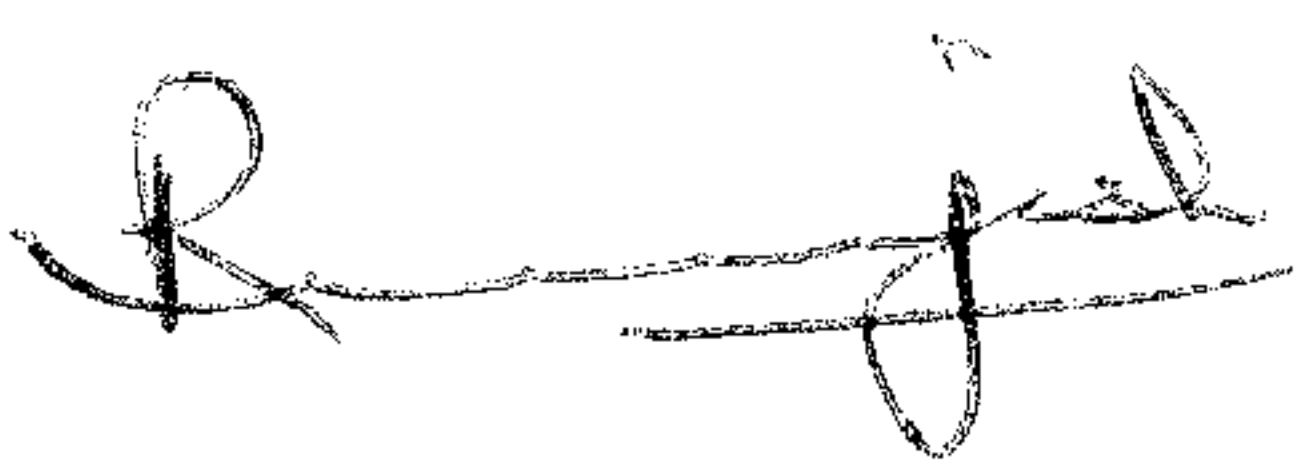
PART I								(₹ in Crore)
Sl. No.	Particulars	Quarter ended			Half year ended		Year ended	
		30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income from operations							
	(a) Net Income from Operations	2,433	2,495	2,649	4,928	5,320	10,801	
	(b) Other Operating Income	-	-	-	-	-	-	
	Total Income from Operations	2,433	2,495	2,649	4,928	5,320	10,801	
2	Expenses							
	(a) Access Charges	686	698	732	1,384	1,429	3,038	
	(b) License Fee	164	195	184	359	396	775	
	(c) Employee Cost	52	42	73	94	152	269	
	(d) Depreciation and Amortisation	491	481	502	972	972	1,940	
	(e) Other Expenses	1,250	1,241	1,488	2,491	2,931	5,063	
	Total Expenses	2,643	2,657	2,979	5,300	5,880	11,085	
3	Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)	(210)	(162)	(330)	(372)	(560)	(284)	
4	Other Income	71	83	200	154	349	335	
5	Costs and Exceptional Items (3 + 4)	(139)	(79)	(130)	(218)	(211)	51	
6	Finance Costs (net)	566	472	441	1,038	896	1,680	
7	Profit/ (Loss) after Finance Costs but before Exceptional Items (5 - 6)	(705)	(551)	(571)	(1,256)	(1,107)	(1,629)	
8	Exceptional Items	-	-	-	-	-	2,969	
9	Profit/ (Loss) from Ordinary Activities before Tax (7 - 8)	(705)	(551)	(571)	(1,256)	(1,107)	1,340	
10	Tax Expenses	-	-	-	-	-	1,494	
11	Net Profit/ (Loss) from ordinary Activities (9 - 10)	(705)	(551)	(571)	(1,256)	(1,107)	(154)	
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-	
13	Net Profit / (Loss) for the period (11-12)	(705)	(551)	(571)	(1,256)	(1,107)	(154)	
14	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,244	1,244	1,191	1,244	1,191	1,244	
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	34,037	
16	Earnings per Share (EPS) before and after Extraordinary Items (not annualised)							
	- Basic (Rs.)	(2.83)	(2.21)	(2.38)	(5.05)	(4.96)	(0.66)	
	- Diluted (Rs.)	(2.83)	(2.21)	(2.38)	(5.05)	(4.96)	(0.66)	
17	Debt Equity Ratio (Refer Note 7)				1.01	0.89	0.89	
18	Debt Service Coverage Ratio (DSCR) (Refer Note 7)				0.22	0.23	0.35	
19	Interest Service Coverage Ratio (ISCR) (Refer Note 7)				0.73	0.85	1.19	

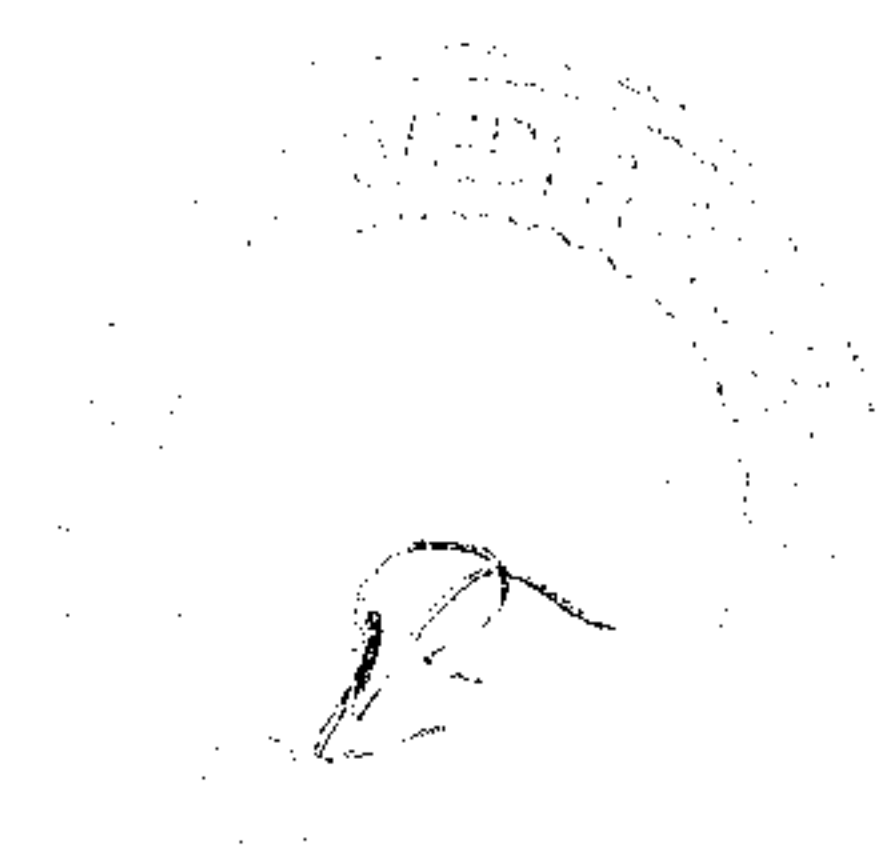
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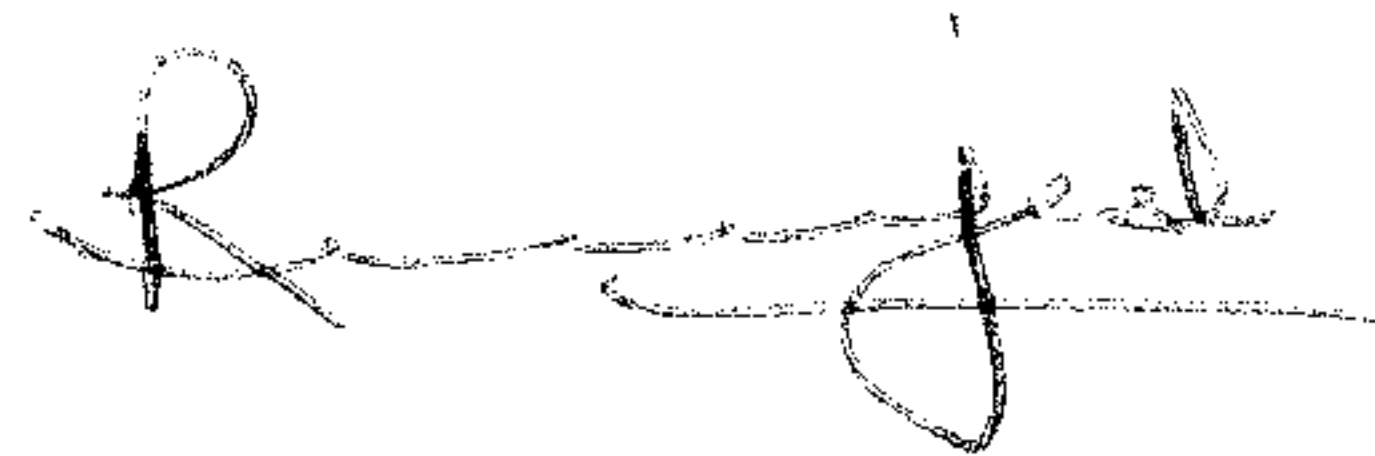
PART II							
Select Information							
Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Particulars of Shareholding						
1	Public Shareholding						
	Number of Shares	1,003,003,901	1,003,003,901	1,003,003,901	1,003,003,901	1,003,003,901	1,003,003,901
	Percentage of Shareholding	40.30%	40.30%	41.75%	40.30%	41.75%	40.30%
2	Promoters and Promoter Group Shareholding						
	(a) Pledged / Encumbered						
	- Number of Shares	389,879,001	294,879,001	Nil	389,879,001	Nil	250,000,000
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	26.24%	19.84%	N.A.	26.24%	N.A.	16.82%
	- Percentage of Shares (as a % of the total share capital of the company)	15.66%	11.85%	N.A.	15.66%	N.A.	10.04%
	(b) Non -encumbered						
	- Number of Shares	1,096,096,843	1,191,096,843	1,399,309,177	1,096,096,843	1,399,309,177	1,235,975,844
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	73.76%	80.16%	100.00%	73.76%	100.00%	83.18%
	- Percentage of Shares (as a % of the total share capital of the company)	44.04%	47.85%	58.25%	44.04%	58.25%	49.66%
B	Investor Complaints						
	Particulars	Quarter ended 30-Sept-2015					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	3					
	Disposed off during the quarter	3					
	Remaining unresolved at the end of the quarter	Nil					

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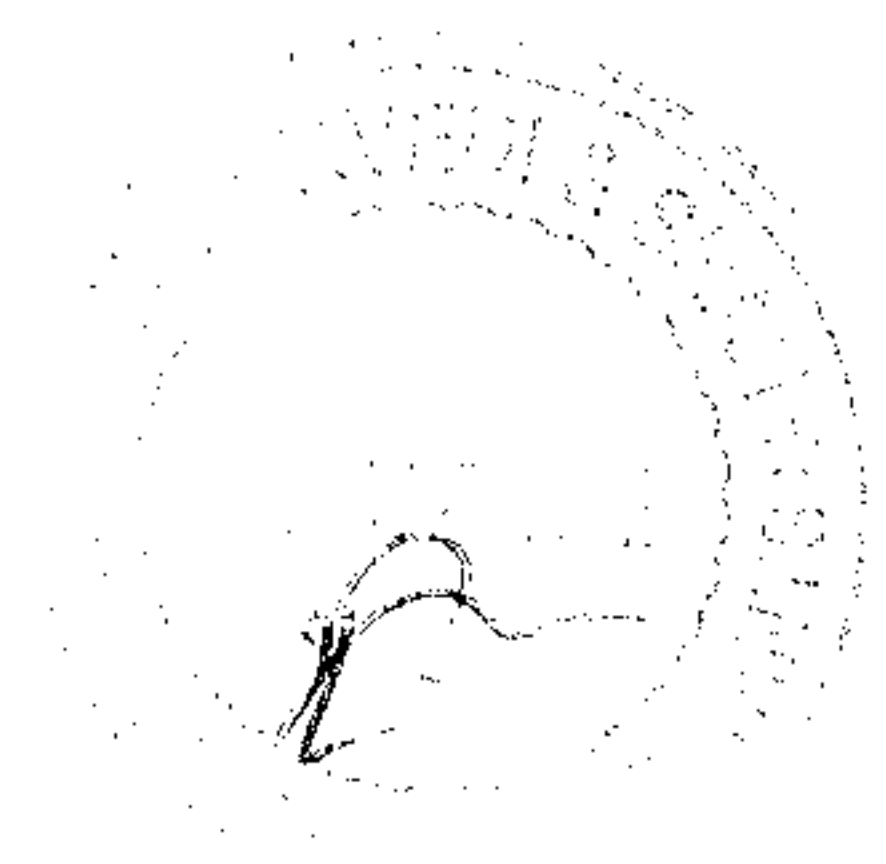


Standalone Statement of Assets and Liabilities		(₹ in Crore)	
	Particulars	As at	As at
		30-Sep-15	31-Mar-15
		Unaudited	Audited
A	Equity and Liabilities		
1	Shareholders' Funds		
	(a) Share Capital	1,244	1,244
	(b) Reserves and Surplus	32,536	34,627
	Sub-total - Shareholders' Funds	33,780	35,871
2	Non Current Liabilities		
	(a) Long Term Borrowings	28,001	25,977
	(b) Deferred Payment Liabilities	1,246	-
	(c) Other Long Term Liabilities	138	43
	(d) Long Term Provisions	18	43
	Sub-total - Non Current Liabilities	29,403	26,063
3	Current Liabilities		
	(a) Short Term Borrowings	1,750	1,189
	(b) Trade Payables	4,467	4,385
	(c) Other Current Liabilities	7,240	6,596
	(d) Short Term Provisions	1,235	1,248
	Sub-total - Current Liabilities	14,692	13,418
	Total Equity and Liabilities	77,875	75,352
B	Assets		
1	Non Current Assets		
	(a) Fixed Assets	34,791	32,963
	(b) Non Current Investments	21,784	21,784
	(c) Long Term Loans and Advances	4,222	3,442
	(d) Other Non Current Assets	450	198
	Sub-total - Non Current Assets	61,247	58,387
2	Current Assets		
	(a) Current Investments	-	638
	(b) Inventories	173	201
	(c) Trade Receivables	1,479	1,334
	(d) Cash and Bank Balances	1,001	572
	(e) Short Term Loans and Advances	11,363	10,861
	(f) Other Current Assets	2,612	3,359
	Sub-total - Current Assets	16,628	16,965
	Total Assets	77,875	75,352

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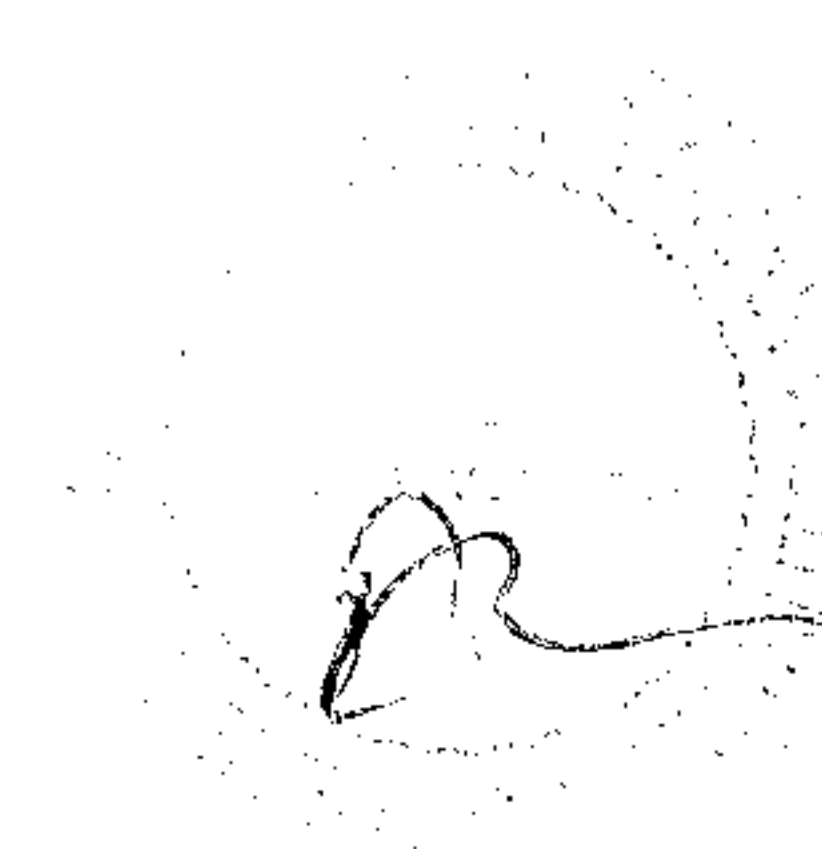
Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. Pursuant to the Schemes of Arrangement ("the Schemes") sanctioned by the Hon'ble High Court of Judicature at Bombay, variation on account of changes in exchange rates including amortisation of the balance in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and depreciation consequent to addition of exchange differences to the cost of capitalised assets aggregating to ₹ 206 crore and ₹ 359 crore during the quarter and half year ended September 30, 2015 respectively, are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter and half year ended on September 30, 2015 and consequently no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. This matter has been referred to by the Auditors in their Limited Review Report. Consequently, reported Reserve and surplus, current liabilities, non-current assets and current assets would have been ₹ 32,307 crore, ₹ 14,747 crore, ₹ 61,035 crore and ₹ 16,666 crore respectively as at September 30, 2015. The Company has, as permitted under the said Schemes, adjusted additional depreciation and amortisation of ₹ 307 crore and ₹ 601 crore, arising on fair value of the assets, for the quarter and half year ended September 30, 2015 respectively, by withdrawing an equivalent amount from General Reserve.
3. Pursuant to the Companies Act, 2013 ("the Act") becoming effective from April 1, 2014, the Company has adopted, based on technical assessment, estimated useful life of fixed assets as stipulated under Schedule II to the Act, except in case of some of its telecommunication equipments, as legally advised and as permitted by the said Schedule, where, based on condition of such telecommunication equipments, regular maintenance schedule, material of construction and past experience.
4. The Company has won spectrum in 10 service areas, pursuant to auction conducted by Department of Telecommunications (DoT) during March, 2015. The Company has opted for deferred payment option and accordingly deferred payment liability for spectrum of ₹ 1,246 crore has been recognised.
5. The Board of Directors of the Company at their meeting held on November 2, 2015, subject to regulatory and other approvals as applicable, approved the scheme of arrangement ("Scheme"), for demerger of wireless telecom business undertaking ("the Undertaking") of Sistema Shyam Teleservices Limited ("SSTL") into the Company. Pursuant to the Scheme, the Company will, towards consideration of the said Undertaking, issue and allot to SSTL, 27,65,53,305 fully paid up equity shares of Rs. 5 each aggregating to 10% of the fully diluted paid up share capital of the Company and perform its obligations under transaction documents.
6. The Company has identified geographic segment as primary segments. As a result, the Company has single geographical segment as "India Operations". Hence, no separate disclosure of segment information in line with Accounting Standard (AS) 17 "Segment Reporting" is required.

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7. Formula used for the computation of ratios:

- i) Debt Equity Ratio = Debt/ Equity;
- ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest, tax/ (Interest + Principal repayment);
- iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/ (Interest expense)

8. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on November 6, 2015 and the same is subjected to limited review.

For Reliance Communications Limited



Anil D. Ambani
Chairman

Place: Mumbai
Date : November 6, 2015

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