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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 ended 30 June 2014 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 reviewed by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 reported in these financial results are the balancing figures between audited figures in respect of the full financial year ended 31 March 2014 and the published year to date figures up to the end of the third quarter of the said financial year. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 14 August 2014. 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. Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying Statement of un-audited financial results prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, and other recognised accounting practices and policies, except to the extent as modified by the Court Order dated 03 July, 2009 as stated in paragraph 4 below and the choice exercised by the Company in accordance with the said Court Order, 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', has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
 4. We draw attention to Note 3 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 ended 30 June 2014, consistent with the practice followed in earlier periods, the Company has withdrawn ₹ 294 crore to offset additional depreciation on account of fair valuation of certain assets. Had such withdrawal not been made, the reported loss for the quarter ended 30 June 2014 would have been higher by ₹ 294 crore.
- Further, the Company has identified net exchange variations of ₹ 119 crore (including depreciation on foreign exchange losses capitalised of ₹ 85 crore, amortisation of Foreign



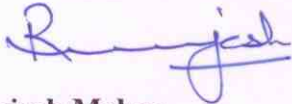
Currency Monetary Item Translation Difference Account (FCMITDA) of ₹ 40 crore and net exchange variations gain of ₹ 6 crore relating to foreign currency monetary items other than long term foreign currency monetary items) (corresponding previous quarter net exchange variations of ₹ 250 crore (including depreciation on foreign exchange losses capitalised of ₹ 80 crore, amortisation of FCMITDA of ₹ 134 crore and net exchange variations of ₹ 36 crore relating to foreign currency monetary items other than long term foreign currency monetary items)), which are in the opinion of the board, considered to be of exceptional nature and are withdrawable from General Reserve as per the Scheme mentioned above. Consistent with the practice followed in the earlier periods, the withdrawal from General Reserve for net exchange variations, if any, would be done at the year end. Above treatment has no impact on the reported loss for quarter ended 30 June 2014.

Our review report is not qualified in respect of the above matters.

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

Chartered Accountants

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



Rajesh Mehra

Partner

Membership No: 103145

14 August 2014

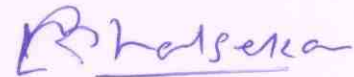
Mumbai



For **Chaturvedi & Shah**

Chartered Accountants

Firm's Registration No: 101720W



Lalit R Mhalsekar

Partner

Membership No: 103418



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CIN-L45309MH2004PLC147531

Unaudited Financial Results (Standalone) for the Quarter ended June 30, 2014

PART I		(₹ in Crore)			
Sl. No.	Particulars	Quarter ended			For the year ended
		30-Jun-14	31-Mar-14	30-Jun-13	31-Mar-14
		Unaudited	Unaudited	Unaudited	Audited
1	Income from operations				
	(a) Net Income from Operations	2,671	2,703	2,820	11,176
	(b) Other Operating Income	-	-	-	-
	Total Income from Operations	2,671	2,703	2,820	11,176
2	Expenditure				
	(a) Access Charges	697	741	712	2,882
	(b) License Fee	212	211	213	851
	(c) Employee Cost	79	97	76	286
	(d) Depreciation and Amortisation	470	521	486	2,048
	(e) Other Expenditure	1,443	1,410	1,149	5,340
	Total Expenditure	2,901	2,980	2,636	11,407
3	Profit / (Loss) from Operations before Other Income, Financial Cost and Exceptional Items (1 - 2)	(230)	(277)	184	(231)
4	Other Income	149	303	161	1,269
5	Profit / (Loss) before Financial Cost and Exceptional Items (3 + 4)	(81)	26	345	1,038
6	Financial Cost	455	(57)	573	1,796
7	Profit / (Loss) after Financial Cost and before Exceptional Items (5 - 6)	(536)	83	(228)	(758)
8	Exceptional Items	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7 - 8)	(536)	83	(228)	(758)
10	Tax Expenses	-	(1,488)	-	(1,488)
11	Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)	(536)	1,571	(228)	730
12	Extraordinary Items (net of tax expense)	-	-	-	-
13	Net Profit / (Loss) for the year/ Period (11-12)	(536)	1,571	(228)	730
14	Paid-up Equity Share Capital (Face Value of ₹ 5 each) (Refer Note 5 below)	1,021	1,021	1,032	1,021
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	29,769
16	Earning per Share (EPS) before and after Extraordinary Items (not annualised)				
	- Basic (₹)	(2.60)	7.61	(1.11)	3.54
	- Diluted (₹)	(2.60)	7.61	(1.11)	3.54



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(Handwritten Signature)

For BSR & CO. LLP



PART II					
Select Information					
Sl. No.	Particulars	Quarter ended			For the year
		30-Jun-14	31-Mar-14	30-Jun-13	31-Mar-14
		Unaudited	Unaudited	Unaudited	Audited
A	Particulars of Shareholding				
1	Public Shareholding				
	Number of Shares	664,717,704	664,717,704	663,318,324	664,717,704
	Percentage of Shareholding	32.20%	32.20%	32.14%	32.20%
2	Promoters and Promoter Group Shareholding				
	(a) Pledged / Encumbered				
	- Number of Shares	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	N.A.	N.A.	N.A.	N.A.
	- Percentage of Shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.
	(b) Non -encumbered				
	- Number of Shares	1,399,309,177	1,399,309,177	1,400,708,557	1,399,309,177
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total share capital of the company)	67.80%	67.80%	67.86%	67.80%
B	Investor Complaints				
	Particulars				Quarter ended June 30, 2014
	Pending at the beginning of the quarter				NIL
	Received during the quarter				12
	Disposed of during the quarter				12
	Remaining unresolved at the end of the quarter				NIL

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



Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. During the quarter, the Company undertook Qualified Institutional Placement (QIP), as authorised by the Board of Directors, at its meeting held on June 24, 2014, for issuance of 33,82,86,197 Equity Shares of face value of ₹ 5/- each to Qualified Institutional Buyers at a price of ₹ 142.14 per Equity Share, including share premium of ₹ 137.14 per Equity Share, aggregating to ₹ 4,808.40 crore in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (SEBI ICDR Regulations) and Section 42 of the Companies Act, 2013 and the Rules made there under. The QIP issue was closed on June 27, 2014 and consequently, the said Equity Shares were allotted on July 2, 2014.

Further, as approved at the Extraordinary General Meeting (EGM) of the members of the Company held on July 24, 2014, the Committee of Directors has, on August 7, 2014, allotted 8,66,66,667 Warrants entitling for subscription of equivalent number of Equity Shares of ₹ .5/- each at a price of ₹150/- per Warrant (including share premium of ₹ 145 per Equity Share) (up to ₹ 1,300 crore) under preferential allotment, to the Promoter Group entity, as per the applicable provisions of the SEBI ICDR Regulations. 50% of the issue price has been received on the date of allotment of the said Warrants and the balance 50% will be receivable on or before March 31, 2015.

3. Pursuant to the Schemes of Arrangement ("the Schemes") sanctioned by the Hon'ble High Court of Judicature at Bombay, exchange 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 aggregating to ₹ 119 crore during the quarter ended June 30, 2014, are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter ended on June 30, 2014 and consequently no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. The Company has as permitted under the said Schemes adjusted additional depreciation of ₹ 294 crore, arising on fair value of the assets, for the quarter by withdrawing an equivalent amount from General Reserve.
4. Pursuant to the Companies Act, 2013 (the Act) becoming effective from April 1, 2014, the Company has adopted 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 the Company has considered useful life of 20 years instead of 18 years applied hitherto.



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5. The paid up share capital of the Company is net of 21,279,000 no. of equity shares, of ₹ 5 each, ₹11 crore being the face value of such equity shares. The Company has consolidated financial statements of RCOM ESOS Trust as at 31st March, 2014 with Standalone Financial Results of the Company in terms of SEBI (ESOS and ESOS) Guidelines, 1999 and recent opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (the ICAI).
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.
7. Figures for the quarter ended March 31, 2014 is balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year.
8. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on August 14, 2014 and the same is subjected to limited review.

For **Reliance Communications Limited**

Anil D. Ambani
Chairman

Place: Mumbai

Date : August 14, 2014

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For **BSR & CO. LLP**

