

**RELIANCE Communications**  
Anil Dhirubhai Ambani Group

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OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

Reliance Communications Limited  
Regd. Office : H-Block, 1st Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai - 400 710

Tel.: +91 022 30386286  
Fax: +91 022 30376622

Exemption File No.82 - 35005



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30<sup>th</sup> August, 2006

Mr. Paul M. Dudek  
Securities and Exchange Commission  
Division of Corporation Finance  
Office of International Corporate Finance  
100 F Street, NE  
Washington, DC 20549  
USA

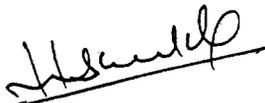
**SUPL**

Dear Mr. Dudek,

We refer to your letter granting exemption under Rule 12g3-2(b) of the Securities Act, 1934 and thank you for the same.

Further, we have submitted a letter dated 30<sup>th</sup> August, 2006 to the Stock Exchanges in India in the matter of Update on Award of International Court of Arbitration of International Chamber of Commerce (ICC) in the matter of FLAG Telecom Group Limited v/s. Videsh Sanchar Nigam Limited, copy of the same is enclosed herewith for information and records.

Very truly yours  
**For Reliance Communications Limited**

  
Hasit Shukla  
Company Secretary

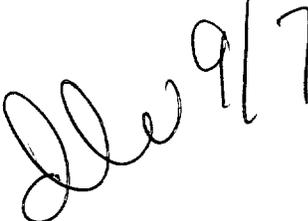
Encl: As above.

Copy to: Yusuf Safdari  
Greenberg Traurig LLP  
1900 University Avenue, 5<sup>th</sup> Floor  
East Palo Alto, CA 94303

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Reliance Communications Limited  
Regd. Office : H-Block, 1st Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai - 400 710

August 30, 2006

Tel.: +91 022 30386286  
Fax: +91 022 30376622

Shri S Subramanian  
DCS – CRD  
The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001  
Fax No: 2272 2037/39/41/61/3121/3719  
BSE Scrip Code : 532712

The Manager  
Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, C/1, Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Fax No: 2659 8237 / 38  
NSE Symbol: RCOM

Dear Sirs,

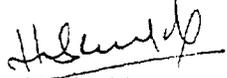
**Sub: Update on Award of International Court of Arbitration of International Chamber of Commerce (ICC) in the matter of FLAG Telecom Group Limited v/s Videsh Sanchar Nigam Limited**

Further to our letter dated May 26, 2006 on the subject, we have been informed by FLAG Telecom Group Limited (FLAG), an associate of the Company that:

1. The negotiations, under an award of the international tribunal, between FLAG and VSNL for determination of reasonable and cost-based access charges at VSNL's Mumbai landing station have failed due to monopolistic and anti competitive attitude of VSNL.
2. VSNL's refusal to negotiate landing station access charges in good faith, and on basis of costs incurred, has resulted in failure of negotiations.
3. The failure of negotiations would harm the ITES/BPO and other user industries in India due to the exorbitantly high bandwidth prices and landing station access charges maintained by VSNL, which lead to unrealistically high costs of international connectivity for Indian Enterprises, thus resulting in higher costs for the end consumers in India.
4. Since the 90 days period permitted by Arbitration Award for negotiations, in good faith, for reasonable access charges at VSNL's Mumbai landing station is over, FLAG has approached the Tribunal for its determination of the reasonable and cost-based access charges.
5. FLAG has also approached the Tribunal for setting a time table for determination of damages due to the unlawful refusal of VSNL to grant access to FLAG from 1998 onwards.

Kindly inform your members accordingly.

Yours faithfully  
For Reliance Communications Limited

  
Hasit Shukla  
Company Secretary