

*Annual Report for the Period  
01.04.2005 to 31.12.2005*

2

RELIANCE COMMUNICATION VENTURES LIMITED

**Reliance Communication Ventures Limited**

**NOTICE**

Notice is hereby given that the 2<sup>nd</sup> Annual General Meeting of the Members of Reliance Communication Ventures Limited will be held on Tuesday, the 24<sup>th</sup> day of January 2006 at 3.00 p.m. at 4<sup>th</sup> Floor, Maker Chambers-IV, 222, Nariman Point, Mumbai 400 021, to transact the following businesses:

**Ordinary Business:**

To consider and adopt the audited Balance Sheet as at December 31, 2005, Profit and Loss Account for the nine months period ended on that date and the Reports of the Board of Directors and Auditors thereon.

- 2 To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. RSM & Co., Chartered Accountants, be and hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors".

**Special Business:**

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Sandeep Tandon, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of Articles of Association of the Company".

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri L.V. Merchant, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of Articles of Association of the Company".

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Gautam Doshi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of Articles of Association of the Company".

By Order of the Board of Directors

Sd/-

Director

Mumbai  
January 23, 2006

Registered Office:  
3<sup>rd</sup> Floor, Maker Chambers-IV  
222, Nariman Point  
Mumbai 400 021

**NOTES**

An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

2. Members are requested to bring their Attendance Slip alongwith their copy of Annual Report to the Meeting.
3. All the members entitled to vote at the meeting have consented to hold the meeting at shorter notice.



**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**

**Item Nos.3 to 5**

The Board of Directors of the Company ("The Board"), at its meeting held on August 9, 2005 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") and Article of Association of the Company, Shri Sandeep Tandon, Shri L.V. Merchant and Shri Gautam Doshi, as Additional Directors of the Company.

In terms of the provisions of Section 260 of the Act, Shri Sandeep Tandon, Shri L.V. Merchant and Shri Gautam Doshi will hold the Office upto the date of this Annual General Meeting.

/The Company has received notices in writing from a member alongwith deposit of Rs.500 proposing the candidature of Shri Sandeep Tandon, Shri L.V. Merchant and Shri Gautam Doshi, for the office of Director of the Company under provisions of Section 257 of the Act.

The Board recommends reappointment of Shri Sandeep Tandon, Shri L.V. Merchant and Shri Gautam Doshi as Directors of the Company.

Shri Sandeep Tandon, Shri L.V. Merchant and Shri Gautam Doshi may be deemed to be concerned or interested in the resolution(s) relating to their respective appointment.

The Board commends the resolution(s) set out at Item Nos.3 to 5 of the Notice for your approval.

By Order of the Board of Directors

Sd/-

Director

Mumbai  
January 23, 2006

Registered Office:  
3<sup>rd</sup> Floor, Maker Chambers-IV  
222, Nariman Point  
Mumbai 400 021

**DIRECTORS' REPORT**

To the Members,

Your Directors present the Annual Report and the audited accounts for the nine months period ended December 31, 2005.

**FINANCIAL RESULTS :**

	<u>Period ended (Nine months ended) 31<sup>st</sup> December, 2005</u>	<u>Year ended 31<sup>st</sup> March, 2005</u>
Profit before Tax	88,555,680	-
Provision for Deferred Taxation	25,700,000	-
Provision for Current Taxation	6,317,003	-
Balance carried to Balance Sheet	56,538,677	-

**FINANCIAL YEAR:**

The current financial year of the Company was changed to a period of nine months beginning from April 1, 2005 and ending on December 31, 2005. Previous financial year of the Company was for a period beginning from July 15, 2004 that is the date of Incorporation and ending on 31<sup>st</sup> March 2005.

**DIVIDEND**

Your Directors have not recommended an dividend on equity shares for the financial year under review.

**SCHEME OF ARRANGEMENT WITH RELIANCE INDUSTRIES LIMITED**

The Hon'ble High Court of Judicature at Bombay by its Order dated December 9, 2005 had approved the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 (the "Scheme") for acquisition of the Telecommunication Undertaking of Reliance Industries Limited (RIL). The Scheme has become effective from December 21, 2005 and the appointed date under the Scheme was September 1, 2005.

In terms of the Scheme 122,3 30,422 Equity Shares of the Company w be

allotted in the ratio of 1(one) equity share of the face value of Rs. 5 /- (Rupees Five) each credited as fully paid-up for every 1 (one) equity share of Rs. 10/- (Rupees Ten) each fully paid-up held by members of RIL (except to the Specified Shareholders as defined in Clause 1.37 of the Scheme) on the Record Date i.e 25<sup>th</sup> January 2006.

Equity shares of the Company so issued shall, be listed and admitted for trading on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

#### **CHANGE OF NAME :**

The name of the Company was changed from Reliance Infrastructure Developers Private Limited to Reliance Infrastructure Developers Limited with effect from July 25, 2005. The name of the Company was further changed from Reliance Infrastructure Developers Limited to Reliance Communication Ventures Limited with effect from August 3, 2005.

#### **CHANGE IN THE OBJECT CLAUSE OF THE COMPANY :**

During the year under review the objects clause of the Memorandum of Association was altered to carry on the business of telecommunication, infrastructure, telecommunication system, telecommunication network and telecommunication services.

#### **AUTHORISED CAPITAL:**

During the year under review, the Company has subdivided its Rs.10/- paid up equity share into Rs.5/- paid up

The Authorised Capital of the Company has been, from time to time, increased from Rs.1,00,000 divided into 10,000 Equity Shares of Rs. 10/- each to Rs.650 Crores divided into 130 Crore Equity Shares of Rs.5/- each.

#### **DIRECTORS**

During the year under review Shri Ramesh Shenoy and Shri Hasit Shukla resigned as Directors of the Company. Shri Surendra Pipara who was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956, has resigned as the Director of the Company

Shri Sandeep Tandon, Shri L V Merchant, and Shri Gautam Doshi were appointed as Additional Directors during the year in terms of Section 260 of the Companies Act, 1956. They shall hold office upto the date of the next Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Shri Sandeep Tandon, Shri L V Merchant and Shri Gautam Doshi for the office of Director.

**STATUS OF THE COMPANY :**

Your Company has become wholly owned subsidiary of Reliance Industries Limited (RIL) with effect from August 11, 2005. In terms of the Scheme, on allotment of the Equity Shares of the Company to the members of RIL, the existing shareholding of RIL in the Company will stand cancelled and the Company will cease to be a subsidiary of RIL.

**PROMOTER GROUP COMPANIES:**

Pursuant to an intimation from Reliance Consolidated Enterprises Private Limited, Promoter of Reliance Industries Limited (RIL), their name as also names of other promoters of RIL have been disclosed as "group" within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 in the Annual Report of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility statement, it is hereby confirmed that:

- (i) in the preparation of the accounts for nine months period ended 31<sup>st</sup> December, 2005, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for nine months period ended 31<sup>st</sup> December, 2005 on a 'going concern' basis.

**AUDITORS**

The statutory auditors M/s RSM & Co., Chartered Accountants retire at the conclusion of the next Annual General Meeting. The Company has received a letter from them to the effect that their appointments if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub section (3) of section 226 of the Companies Act, 1956 for such appointment.

**PERSONNEL**

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act 1956. Hence, no information is required to be appended to this