

Spice Communications Limited				
Regd Office :- A-30, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044				
Unaudited financial results for the quarter ended 30 June 2009				
(Rs in lakhs, except per share data)				
S.No	Particulars	Quarter ended		Fifteen months ended
		30-Jun-09 Unaudited	30-Jun-08 Unaudited	31-Mar-09 Audited
1	Net sales /income from operations	33,040	31,432	158,048
2	Total revenue	33,040	31,432	158,048
	Increase / (decrease) in stock in trade	-	(2)	(2)
	Purchase of trading goods	1	7	58
	Personnel expenditure	1,280	1,648	7,162
	Network operating expenditure	8,987	7,303	39,106
	Licence and WPC charges	3,392	3,373	16,061
	Roaming and access charges	6,442	5,386	28,252
	Subscriber acquisition, servicing expenditure and advertisement and business promotion expenditure	4,128	6,046	24,796
	Depreciation and amortisation	6,348	8,192	50,152
	Other expenditure	1,695	1,870	8,359
3	Total expenditure	32,273	33,823	173,944
4	Profit/(Loss) from operations before other income, finance charges, exceptional items, prior period items and tax (2-3)	767	(2,391)	(15,895)
5	Other income	37	22	486
6	Profit/ (Loss) before finance charges, exceptional items, prior period items and tax (4+5)	804	(2,369)	(15,410)
7	Finance and treasury charges (net)	4,295	6,930	30,233
8	Profit/(Loss) before exceptional items, prior period items and tax (6-7)	(3,491)	(9,299)	(45,642)
9	Exceptional items (income)/expense	-	4,330	56,313
10	Prior period expenses / (income)	-	-	99
11	Profit/(Loss) before tax (8-9-10)	(3,491)	(13,629)	(102,054)
12	Tax expense	-	16	128
13	Excess provision for earlier years written back	-	-	(660)
14	Net Profit/(Loss) after tax (11-12-13)	(3,491)	(13,645)	(101,522)
15	Paid up Equity Share Capital (Face value Rs. 10 per share)	68,993	68,993	68,993
16	Reserves excluding revaluation reserve			136,680
17	EPS for the period (rupees)			
	- Basic	(0.51)	(1.98)	(14.71)
	- Diluted	(0.51)	(1.98)	(14.71)
18	Public Shareholding			
	- Number of Shares	7,604,357	408,422,630	7,604,357
	- Percentage of Shareholdings	1.10%	59.20%	1.10%
19	Promoters and promoter group shareholding			
	a) Pledged/Encumbered			
	- No. of shares	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-
	b) Non-encumbered			
	- No. of shares	682,320,643	N.A	682,320,643
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	N.A	100%
	- Percentage of shares (as a % of the total share capital of the Company)	98.90%	N.A	98.90%

Notes to the statement attached herewith form an integral part of the statement

For BSR & Co.

Chartered Accountants

B. H. Dhupelia

Bhavesh Dhupelia

Partner

Membership no: 042070

Place: Mumbai

Date: 22 July 2009

For and on behalf of the Board of Spice Communications Limited

Director

Place: Mumbai

Date: 22 July 2009

Spice Communications Limited
Notes to unaudited financial results for the quarter ended 30 June 2009

1. The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on 22 July 2009. Limited review as required under Clause 41 of the Listing Agreement has been carried out by the Statutory Auditors.
2. During the quarter under review, the company has filed a scheme of amalgamation for merger with Idea Cellular Limited (Idea) in the Hon'able High Court of Delhi. The Hon'able Court has directed for convening shareholder and creditor meetings. The company which in the interim had sought deferment of these meetings proposes to approach the Hon'able High Court for seeking further directions shortly
3. The Company currently also holds UAS licenses granted to it by the Department of Telecommunications (DoT) for the service areas of Delhi, Haryana, Maharashtra & Goa and Andhra Pradesh, which have not yet been rolled out. These overlap with the licenses being operated by Idea. Following the decision to merge the Company into Idea, the Company had also taken a decision to de-merge these overlapping UAS Licenses through a Court approved scheme. During the quarter under review, a scheme of arrangement has been filed with the Hon'able High Court of Delhi. The Hon'able Court has directed for convening shareholder and creditor meetings. The company which in the interim had sought deferment of these meetings proposes to approach the Hon'able High Court for seeking further directions shortly.
4. The Company is currently providing cellular services in the licensed service areas of Punjab and Karnataka and also has a NLD/ILD License. However in terms of Accounting Standard 17- 'Segment Reporting', the Company has only one reportable segment, being the cellular telephony business.
5. The Company was computing the license fee and spectrum charges on Adjusted Gross Revenue ('AGR') based on the Telecom Dispute Settlement Appellate Tribunal ('TDSAT') order dated 30 August 2007 and the Company's understanding of the definition of AGR prior to this TDSAT order. However, DoT had vide its appeal dated 08 January 2008 filed a petition before Supreme Court against the tribunal order dated 30 August 2007. The Hon'able Supreme Court had ordered service providers to file a counter affidavit and has also ordered the operators not to make any adjustments from the date of the order. No developments have taken place in the quarter under review.
6. The details of funds received from initial public offer ('IPO') of Rs. 63,224 lakhs (including share premium) and utilisation of such funds are given below:

(Rs. In lakhs)

	Particulars	To be financed through IPO proceeds as per Prospectus	Actual utilisation till 30 June 2009
	Utilization:		
(i)	Part payment of long term debt	31,612	31,612
(ii)	Payment of license fee for NLD and ILD and related capital expenditure	6,360	6,360
(iii)	Payment to vendor(s) for network equipment and other capital expenditure	17,763	16,599
(iv)	General corporate expenses and issue expense	7,489	7,477
	Total utilisation	63,224	62,049
	Balance of unutilised funds out of IPO funds, details of which are given below:		1,176
	Investments in fixed deposits (including margin money)		1,176

Spice Communications Limited**Notes to unaudited financial results for the quarter ended 30 June 2009**

7. Exceptional Items (Income)/Expense for the previous periods include the following:

Particulars	(Rs. in lakhs)	
	Quarter ended 30 June 2008	Fifteen months ended 31 March 2009
Profit on sale of passive Infrastructure (net)	(2,154)	(2,222)
Expenditure incurred in relation to new licences for 20 circles	584	584
Exgratia payment to certain employees / consultants	2,160	2,160
Call centre and other support services	2,392	2,392
Amortisation of unamortised loan origination cost	1,348	1,647
Share Issue expenses	-	3,307
Impairment of license fee	-	48,445
Total Exceptional Item	4,330	56,313

8. The status of investors' complaints is as under:

Opening – Nil, Received – 9, Resolved – 9, Closing - Nil

9. Previous period figures have been regrouped / re-arranged wherever necessary conform to the current period's grouping. B

**For and on behalf of the Board of
Spice Communications Limited**


Director

Place: Mumbai

Date: 22 July 2009

